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NEWS SUMMARY

GENERAL

Carter warns Russia on arms

President Carter has warned the Soviet Union that the U.S. will increase defence spending and effectively abandon detente if Russia continues its "excessive military growth and unwarranted interference" around the world.

In what was described as his first major speech on defence, the President said that there were ominous signs, most recently in the Horn of Africa, that the the Russians were prepared to use military power.

"The Soviets have continued to increase and modernise their forces beyond the level necessary for defence," he declared. "In the face of this excessive build-up, we and our Nato allies have had to take important steps to cope with short-term vulnerabilities and to respond to long-term threats." **Back Page**

French Socialist dies in crash

With a narrow victory predicted for the French Government coalition in to-morrow's second General Election ballot, the Socialists suffered a severe blow by the death of M. Andre Boulloche in an air crash on Franco-German border near Mulhouse. He had been expected to become Finance Minister if the Left won the election. **Page 2**

Picket MP fined

Mrs. Audrey Wise, Labour MP for Coventry S.W., was fined £20 with £25 costs at Acton Court for obstructing a policeman during picketing disturbances outside the Grunwick plant in North London last summer. Miss Yana Mintoff, daughter of the Maltese Premier, is to be reported to the Director of Public Prosecutions for alleged involvement in the incident. Mrs Wise claimed she went to the aid of a girl whom police were dragging by the hair.

Appeal fails

The Appeal Court upheld the fines imposed on Gay News and Mr. Denis Lemon, its editor, for publishing a blasphemous libel. Lord Justice Roskill said that the Old Bailey jury had reached its verdict on a poem about Jesus Christ, titled The Love That Dares to Speak its Name in a trial which had been properly conducted. But Mr. Lemon's suspended sentence was set aside.

Zaire shoots 13

President Mobutu of Zaire, brushing aside Western human rights appeals, said that 13 soldiers and civilians convicted of plotting his overthrow, had been shot at dawn.

Delhi cyclone

At least 26 people died and 700 were injured when a cyclone hit New Delhi, the Indian capital. The storm toppled a transmitting tower of All-India Radio.

Flights target

Airlines estimate that cheap air fares from Britain to 14 U.S. cities, which come into force to-day, could mean an extra 1m. passengers this year. Round-trips to Boston will now be available from £146 and to Los Angeles from £207. **Page 4**

Briefly . . .

The halfpenny is now worth 0.48 of an old penny, a 60 per cent. loss of purchasing power since February 15, 1971.

British Summer Time begins at 2 a.m. to-morrow when clocks should be put forward one hour.

Lincoln Castle, Britain's last coal-burning paddle steamer, is to be retired after 37 years on the Humber ferry service.

Petition signed by 16,000 people against the proposed use of Greenham Common, Berks., by the U.S. Air Force, was presented to the Commons.

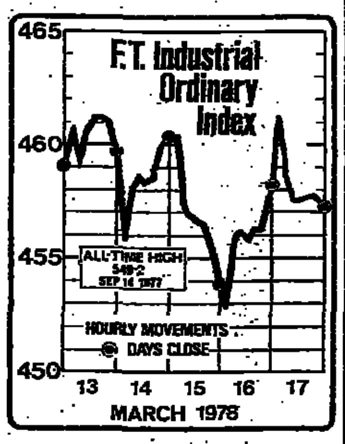
Chicago judge blocked a march by U.S. Nazis through the predominantly Jewish community of Skokie, Illinois.

BUSINESS

Setback in gilts; equities down 1.1

● **GILTS retreated in thin trade, *with long-dated stocks closing* with falls to ⅞. The FT Government Securities Index, up 1.59 in the previous ten days, fell 0.49 to 75.54.**

● **EQUITIES were marked up initially, but tended to close a shade easier. The FT 30-Share Index lost 1.1 to 457.2.**



● **STERLING closed at $1.9075, off 70 points on the day, after touching a best level of $1.9210. Dollar closed at about its best level in terms of most currencies, its trade-weighted depreciation narrowing to 5.54 (5.58) per cent.**

● **GOLD closed unchanged at $183.625.**

● ***WALL STREET rose 5.89 to* 768.71.**

● **ZAMBIA** has devalued its currency by 10 per cent. as part of an economic package arranged with the IMF. It will also be able to draw credit of $390m. from the IMF over two years and to reschedule an earlier loan. **Page 2**

● **EEC** is making a further attempt to obtain trade concessions from Japan. It is expected to warn the Japanese that they face possible new trade barriers unless they take steps to cut their trade surplus. **Page 2**

U.K. signs ship deal with India

● **SUNDERLAND SHIPBUILDERS** has signed a £51m. contract to supply six cargo liners to India — a deal criticised by U.K. shipowners because the vessels are being bought with cash from Britain's overseas aid programme. **Back Page.** British Shipbuilders will take over the Ailsa yard in Troon in a bid to save jobs. **Page 4. EEC shipyard targets attacked, Page 21**

● **LUCAS** is to cut the workforce at its industrial engineering works at Fazakerley by 200, in a new blow to Merseyside job prospects. On Thursday the group announced plans to phase out production at Lucas Aerospace's Victor works in Liverpool with the loss of 1,450 jobs. **Back Page**

● **BRITISH STEEL** is ready to open negotiations with unions on redundancies to arise from closure of Ebbw Vale steelmaking. **Back Page**

● **CBI** says it brought the signing of Government contracts with the private sector to a virtual standstill for five weeks before a compromise was reached about the insertion of pay policy clauses. **Page 4**

● **NORWEGIAN** Parliament has approved plans to open up new areas of Norway's continental shelf for oil and gas exploration.

● **IRISH** Post Office engineers have narrowly rejected a formula designed to end their strike.

COMPANIES

● **DENISON MINES**, Canada's second largest uranium producer, is buying uranium and nickel interests of the U.S.-owned Inexco Oil Company for $U.S.158.5m. **Page 17**

● **MORGAN GRENFELL** net profit rose from a revised £2.85m. to £5.45m. last year. **Page 16**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Exch. 10½% 1995	£91½	— ½
Alexanders Discount	235	+ 5
Allied Irish Banks	167	+ 4
Assoc. Book Publshrs.	188	+ 8
Bank of Ireland	347	+ 12
Bank of Scotland	273	+ 8
Barclays Bank	330	+ 5
Blakey's (Mlb. Cstgs.)	52	+ 4
Collins (Wm.)	128	+ 4
De La Rue	260	+ 7
Fitch Lovell	68	+ 3
Hall Engineering	95	+ 4
London Scot. Finance	35	+ 3
Miln Marsters	155	+ 9
Rolls-Royce Motors	81	+ 3
Rush & Tompkins	104	+ 5
Tate of Leeds	57	+ 3
Wigfall (H.)	233	+ 10
Wolseley-Hughes	192	+ 5
BP	764	+ 18
Chersonese	56	+ 3
Cons. Plants.	123	+ 7
Plantation Hldgs.	71	+ 3

FALLS

BATs Defd.	257	— 8
Daily Mail A	275	— 5
General Accident	220	— 4
GEC	247	— 13
Gold Fields Prop.	67	— 6
Durban Deep	192	— 83
East Rand Prop.	295	— 70
Leslie	36	— 5
Loraine	85	— 8
Unisel	151	— 16
Venterspost	192	— 16
West Rand Cons.	85	— 19
Western Holdings	£17⅜	— ⅞

Oil slick battle after supertanker breaks on rocks

BY DAVID CURRY IN PARIS AND IAN HARGREAVES IN LONDON

French naval and civil authorities were fighting an apparently losing battle against pollution last night after the supertanker Amoco Cadiz broke on rocks three miles off Brest on the Brittany coast. The vessel is carrying 220,000 tons of crude oil.

The hull of the ship is insured for $12m. (£6.3m.), 80 per cent., of which is placed in London. The owners, Amoco, said in Chicago that the insurance value of the vessel including machinery was $20m.

There is an insurance risk of about $20m. on the cargo, which is probably self-insured with the charterer, Shell.

The vessel ran into trouble on Thursday, when its steering system failed. It was being towed to port when the line snapped and strong seas pushed it on to the rocks.

Early yesterday the vessel broke in two, rupturing at least two of its 14 cargo tanks.

Amoco said because of difficult weather it was impossible for emergency vessels to get near enough to the stricken supertanker to make a precise assessment of damage.

All 46 members of the Italian crew were lifted off the ship shortly before her hull broke.

An oil slick quickly reached about 20 kilometres off the North Finisterre coast in an area important for fishing, shell-fish reserves and tourism. The French authorities have seven ships at hand to break up the slick with detergent and chalk, but the rocks and 20-foot seas made operations hazardous.

Oil industry men in London were pessimistic last night about the chances of salvaging the Amoco Cadiz. She is impaled on rocks in much the same way as the Torrey Canyon was in 1967. Like that vessels, the Amoco Cadiz might prove unmoveable except by the action of the sea.

Standards

If the Amoco Cadiz breaks up completely she will discharge more than twice the amount of oil lost by the Torrey Canyon. This is the fourth incident in*volving oil tanker spillage off* the Brittany coast in the last 12 years. In January 1976 the brand new Olympic Bravery broke up off the coast. It took three months to clear up the mess caused simply by seepage of the ship's own fuel oil.

The Amoco Cadiz cost $30m. when she was bought four years ago from Astilleros Espanoles in Spain. She was placed on an immediate four-year charter with Shell which would have expired in June.

She was heading from the Gulf with a cargo of light crude for Lyme Bay when her steering gear failed.

Mr. Harry Rinkema, Amoco vice-president, said in Chicago that the ship's steering equipment met all the higher standards recently agreed in London by the UN maritime agency, IMCO.

The gear was equipped with reserve motors and reserve pumps, but had a single hydraulic system. It was this system which failed.

The accident occurred, ironically, on IMCO's world maritime day, when Government ministers around the world were making proud statements and tours of inspection of marine safety equipment. Mr. Stanley Clinton *Davis*, the U.K. Trade Under Secretary, spent the day at the Warsash School of Navigation.

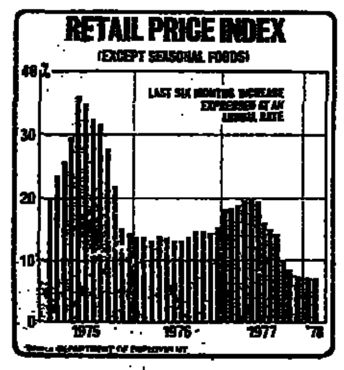
There were predictions in France that the spillage could influence voting in the final round of the French elections to-morrow. About 600,000 people voted for ecology candidates in the initial voting last Sunday.

There is certain to be heated debate about why the rescue authorities were not altered about the ship's problems until

Continued on Back Page
Picture Page 2

Retail price index up 9%

BY PETER RIDDELL, ECONOMICS CORRESPONDENT



THE UNDERLYING annual rate of retail price inflation appears to be levelling out at about 7 per cent. Official figures should show the 12-month rate of increase as down to near this level during the summer.

The Department of Employment said yesterday that the retail price index increased by 9.5 per cent. in the 12 months to mid-February to 190.6 (January 1974=100).

This is the lowest 12-month rate since September, 1973, and compares with an increase of 9.9 per cent. in the year to mid-January, and a rise of 8.1 per cent. over the same period in industrialised countries generally.

Comparison

On a shorter-term comparison, the U.K.'s rate of inflation is already in line with the international average with a rise of 3.1 per cent. in the all-items index in the U.K. in the six months to January, compared with one of 3.5 per cent. for members of the Organisation for Economic Co-operation and Development overall.

The best guide to immediate prospects in the U.K. is the index for the rise excluding seasonal food measured over six months and expressed at an annual rate. This stood at 7.2 per cent. last month, the same as in January and only slightly less than in December, but well down on the rate of 20 per cent. last May.

This underlying trend supports Government hopes, as expressed by Mr. Albert Booth, Employment Secretary, that a 12-month rate for the all-items index of "7 per cent. or less is quite on the cards soon, if we keep up our efforts."

The short-term outlook also will be affected by whether Mr. Denis Healey, Chancellor, decides to increase indirect taxes in the Budget in order to allow a larger cut in income tax.

The determination to keep down the inflation rate is likely to limit any rise in indirect taxes although, as a minimum, an increase in specific duties, notably on alcohol and tobacco, in line with inflation in the last year looks likely, raising the prices index by about 1 per cent.

The official expectation is that the 12-month rate will remain in single figures for at least the rest of this year even though the rise in earnings during the current pay round may be about 13 to 14 per cent., rather than the 10 per cent. guideline. This is because of the favourable impact of lower world commodity prices and the rise in sterling.

Levelling out

However, the evidence of a levelling out in the underlying trend points to the difficulty of achieving a further fall in the inflation rate below a range of 6½-7 per cent. unless the growth of earnings is reduced to well below 10 per cent.

This is likely to form a key

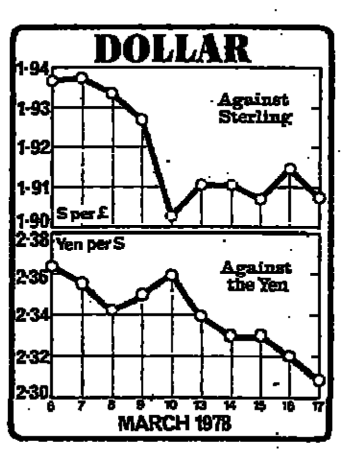
Continued on Back Page
Editorial Comment, Page 14

Dollar hits new low against yen

BY MICHAEL BLANDEN

THE DOLLAR fell to new low levels against the Japanese yen yesterday while the foreign exchange markets remained extremely nervous in spite of the efforts during the past week to bolster the U.S. currency.

Bankers have reacted sceptically to the joint U.S.-West German announcement on Monday of measures to stabilise the dollar through extended swap arrangements. The Japanese moves, on Wednesday, to impose stricter sanctions on foreign inflows have so far not stopped the rise in the yen.



The dollar dropped for the first time below Y230 in spite of heavy intervention by the Bank of Japan, estimated at some $250m. to $300m.

In trading on European exchanges yesterday, the dollar picked up slightly after a weak start. Central banks were thought to have taken advantage of the generally thin business to push the dollar up through further intervention.

Nevertheless, the various measures adopted to help the dollar have left the markets still uncertain and it remains lower against other leading currencies than it was a week ago.

After touching a record low of Y229.5 yesterday, it picked up to close at Y230.95. This compared with Y232.05 on the previous day and Y235.95 a week ago.

The dollar improved against the West German mark to end at DM2.0455 against DM2.0345 on Thursday, and similarly rose against the Swiss franc to Sw.Frs.1.8975 against Sw.Frs.1.8775. But in both cases *it was down compared with the* previous Friday's levels of DM2.0575 and Sw.Frs.1.95.

The pound slipped by 70 points to $1.9075, with its trade-weighted index down to 64.1 compared with 64.3 on the previous day.

Feature Page 14

Italy unlikely to free guerilla

By Dominick J. Coyle and Paul Betts

ROME, March 17.

ITALY'S NEW minority government is not likely to agree to the release of one of the top leaders of the extrem*ist Left-wing Red Brigades* guerilla movement in exchange for the freedom of Sig. Aldo Moro, who was Italy's Prime Minister five times.

This view was gaining ground in political circles to-night as police continued their biggest-ever security operation, searching more than 2,000 flats in Rome where they believe Sig. Moro is still being held.

Rome police arrested to-night a man on suspicion that he might be involved in the kidnapping of Sig. Moro in Rome in a gun battle in which five policemen died.

A further communiqué purporting to come from the Red Brigades to-day confirmed that Signor Moro, president of the Christian Democrat party, would be killed within 48 hours unless Sig. Renato Curcio, "ideological" leader of the Red Brigades, who is standing trial in Turin with 48 other accused terrorists, was released.

The Prime Minister presided this morning over a special meeting of the inter-Ministerial committee on security, and to-night was meeting leaders of all the main political parties, including Sig. Enrico Berlinguer, the Communist Party's secretary-general.

The highest reserve was being maintained by political party leaders after to-night's Summit with Sig. Andreotti. A statement was issued later to-night by the Prime Minister's office saying that the Summit discussed a package of proposals to strengthen security and law and order in the country, including a number of "urgent measures" in face of the current emergency situation which now required collaboration at all levels.

While the Christian Democrat party is understandably very concerned over the fate of its president, there is privately a recognition that a minority Government, in particular, cannot capitulate to the Red Brigades without undermining finally the basic institutions of the State.

Government sources were saying this evening that more draconian law-and-order measures—including the possibility of bringing terrorist suspects before military courts—would not be contemplated unless they were supported unambiguously by the other main parties, who are pledged to support the Andreotti administration in Parliament under the terms of a new Government formula worked out, ironically, in large measure by Sig. Moro

Israel looks set for war of attrition

BY OUR FOREIGN STAFF

THE CRISIS in southern Lebanon deepened yesterday with Israel's 20,000-strong invasion force consolidating its occupation and the announcement that Iraq is sending "volunteers," ammunition and medical supplies to the Palestinian forces.

As fighting continued in the six-mile-deep buffer zone established by the Israeli army, an estimated 100,000 refugees streamed north to swell the 250,000 made homeless during the two-year Lebanese civil war.

In the Lebanese capital, Mr. Selim al Hoss, Prime Minister, had urgent talks with a Syrian delegation which included Mr. Abdel Halim Khaddam, the Deputy Premier and Foreign Minister, and Maj.-Gen. Naji Jamil, chief of the Syrian air force.

An announcement by the Syrian-backed Saiqa guerilla group said that Syria had now placed its air force in Lebanon on alert to defend civilian targets.

Israel has asked for an urgent meeting of the UN Security Council in response to an earlier Lebanese demand for one.

If and when one is called, Israel will argue that it had to occupy the south of the Lebanon to prevent Palestinian attacks on its civilian population, especially like last week-end's raids by a band of the Fatah guerilla group in which 37 people died.

Israel's army looks to be settling down to the prospect of a long stay and a war of attrition against the Palestinian guerillas in the south of Lebanon.

Palestinian claims that the Israelis had mounted a seaborne landing at Aadloun, 12 miles north of the River Litani, the accepted stand-off "red line" *separating them from the* Syrians, were not confirmed in Tel Aviv. Correspondents visiting the village found no evidence of any such operation.

Israel reacted politely, but coolly, to the U.S. call for the withdrawal of its troops and their replacement in the border zone by "an alternative peace-keeping force."

Volunteers

Acknowledging that it was being studied, Mr. Ezer Weizman, Defence Minister, said: "We shall check every proposal which can provide a solution."

Mr. Walter Mondale, U.S. Vice-President, yesterday reiterated the Administration's request, made in a formal statement by the State Department last night, that Israel should leave the six-mile buffer zone. He said he hoped a new peace force, possibly under UN auspices, could take its place.

The occupation may now be a long-drawn out affair, with the invading force suffering constant harrassment. Mr. Menahem Begin, Israeli Prime Minister, is expected to resist U.S. pressure for a withdrawal when he visits Washington. He has provisionally arranged to leave for the U.S. to-morrow.

The Palestinian military command in southern Lebanon is looking forward to a prolonged war with Israel and is confident that any proposal to bring in a UN peace-keeping force will be vetoed in the Security Council by the Soviet Union or China.

David Lennon writes from Tel Aviv: Mr. Begin held consultations last night with his senior Ministers and Army commanders about the military situation. He also discussed the alternative solutions which he plans to discuss with President Carter when they meet in Washington.

Attacks

The Israeli army claimed yesterday that the 60-mile-long "security belt" along the border was virtually clear of Palestinian fighters. However, ground fighting continued as isolated pockets of resistance were being mopped up.

Palestinian units outside the "security belt" are still giving the invading force problems. Repeated air strikes were launched against them, in some cases using for the first time the most advanced F-15 aircraft which was recently supplied to Israel by the U.S.

In the afternoon shells fell on northern Israel, killing one man and injuring a number of others. The villages near the border were ordered to enter the bomb shelters this evening.

Israel has been reluctant to cross the River Litani, to avoid coming into contact with the 30,000 Syrian troops stationed in Lebanon. But hit-and-run raids were carried out by troops against positions impervious to air and artillery attack.

The Palestinian positions around Beaufort Castle, which lies across the River Litani were attacked by ground forces. They silenced the artillery batteries which are only about three miles from the Israeli border.

Other Israeli targets included at least one of the bridges on the River Litarie, the blocking of which would hinder Palestinian reinforcements from moving south.

Middle East News Page 2

£ in New York

—	March 17	Previous
Spot	$1.9070-9080	$1.9150-1.9160
1 month	[illegible] prem	[illegible] prem
3 months	[illegible] prem	[illegible] prem
12 months	[illegible] dis	[illegible]

CONTENTS OF TODAY'S ISSUE

OVERSEAS NEWS

Haferkamp flies out to salvage Tokyo trade talks

BY GUY DE JONQUIERES BRUSSELS, March 17.

THE EEC Commissioner for External Affairs, Herr Wilhelm Haferkamp, was on his way to Tokyo to-day in a last ditch attempt to salvage the Commission's floundering campaign to extract pledges of trade and economic concessions from the Japanese Government.

Herr Haferkamp is expected to warn the Japanese bluntly that unless they agree to take further measures to correct their trade surplus with the Community, which exceeded $5bn. last year, they will run the risk that the EEC will erect new trade barriers against them. This step, he will argue, could trigger off a wave of world-wide protectionism.

Officials here have expressed deep disappointment and concern at the lack of progress achieved in the talks in Tokyo this week between an EEC delegation led by Sir Roy Denman, director-general of the commission's External Affairs Department, and Mr. Nobubiko Ushiba, Japan's Minister of External Economic Relations.

Though Herr Haferkamp is due at present to see only Mr. Ushiba, a Commission spokesman said to-day that he might seek to go over the Minister's head and appeal to the very highest levels of the Japanese Government.

It is felt here that if the talks are not to end in failure, the least that Herr Haferkamp can bring back from Tokyo would be a joint EEC-Japanese declaration setting out the principal bilateral trade problems and committing both sides to tackling them. But a spokesman said here to-day that there was nothing so far to be signed.

Officials here are keenly aware that the Commission's own credibility as an effective negotiator is at stake and that they are under some pressure to produce concrete results from the talks in time for the next meeting of EEC heads of government in Copenhagen on April 7 and 8.

But while some governments, notably that of Italy, would be certain to complain loudly if the Commission delegation returned from Tokyo empty-handed, it is far from certain that the EEC leaders would be prepared to sanction the kind of retaliatory measures against Japan that have been hinted in Brussels.

Charles Smith reports from Tokyo: Progress during three days of high-level official talks on Japan-EEC trade problems has been slight, and deos not hold out much hope that the two sides will be able to hammer out a joint communiqué.

This was stated to-night by Sir Roy Denman, the EEC director-general for external relations and leader of the ten-man team which has been conducting the talks. Sir Roy said repeatedly in a briefing to-night that there was little basis on which to hope for agreement next week, when the talks reach their climax. The one remaining possibility was that a break-through might occur when the talks are raised to political level with the arrival in Tokyo of Mr. Haferkamp.

EEC officials appeared confident today that an agreement would be reached in Brussels this weekend, under which Japan would undertake to reduce its exports of steel to the Community from 1977 levels in return for a guaranteed price advantage of about 3 per cent. over European producers.

The negotiations, which are separate from the broader trade talks in Tokyo, are part of the EEC's policy to limit steel imports from third countries and to stabilise prices.

Pakistan considers move against State take-overs

BY SIMON HENDERSON ISLAMABAD, March 17.

PAKISTAN'S MILITARY Government is considering constitutional guarantees against nationalisation of industries and the take-over of private properties.

The military ruler, General Zia-ul Haq, said yesterday in Peshawar that such guarantees would create a favourable atmosphere for investment. The Law Ministry is at present examining proposals, he said, adding that such a guarantee would cover the present and future Governments. Any future Government carrying out a policy of nationalisation would be obliged to pay a fair compensation to the owner of the industry or land.

Under the Government of Mr. Zulfikar Ali Bhutto large sections of industry were nationalised. Since taking over power last July the military regime has been trying to restore business confidence.

Addressing a news conference, General Zia said next year's budget would strictly conform to the available national resources and blamed current domestic inflation partly on the large-scale deficit financing of Mr. Bhutto's Government. The military ruler said foreign investment had come to a halt in the past four months and called on Middle East countries to enter into joint projects with Pakistani firms.

Figures released by the State Bank of Islamabad yesterday showed an improved balance of payments deficit of Rs.1,033m. for the period between July and September last year, compared with over Rs.1,800m. (about $180m.) the previous year.

The balance of trade deficit is still running at about $100m. a month and the improvement on the payments position was attributed to an inflow of foreign loans and private remittances from Pakistanis who work abroad.

Close race expected in French elections

By Robert Mauthner PARIS, March 17.

THE FINAL result of the French general election after the second ballot on Sunday is expected to be very close, but most observers are now predicting a narrow victory for the Government coalition.

Though the parties of the Left—the Socialists, the Communists and the Left-wing Radicals—managed to cobble together a last-minute electoral pact earlier this week, enabling them to present joint candidates on Sunday, this is unlikely to compensate for their failure to establish a big enough lead in the first round.

If the Left had polled between 51 and 52 per cent. of the popular vote last Sunday, as the public opinion polls had forecast, its ultimate success would hardly be in doubt to-day. But, because the Socialists did much less well than expected, the total score of the Left-wing parties was no more than 48.4 per cent., including extreme Leftist groups.

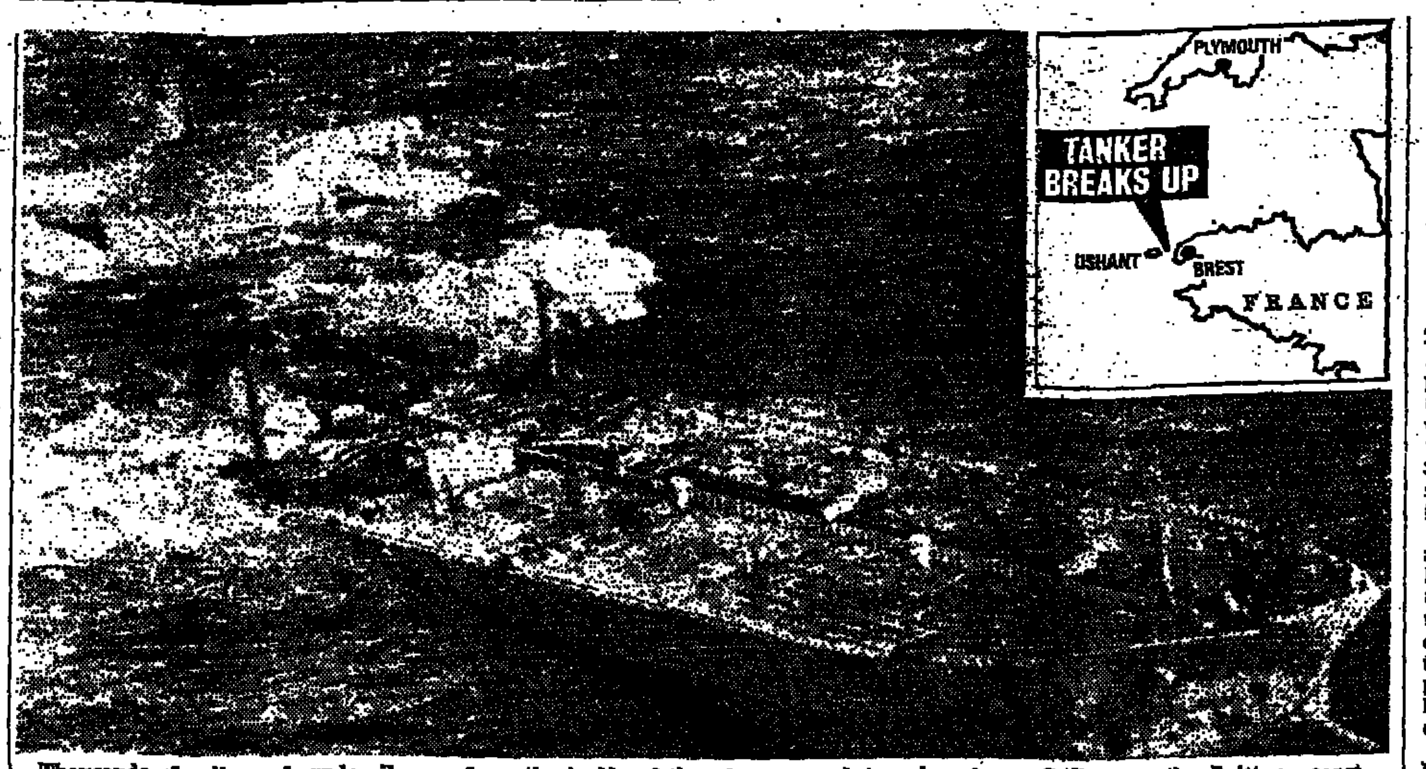
This was barely two percentage points more than the Government coalition parties polled and is generally considered to be too small a lead to be converted into a Parliamentary majority in the vital run-off. The present constituency boundaries greatly favour the Government parties, which thus need a much smaller number of votes to win a majority in the National Assembly than the Left.

Another big obstacle which the Left has to overcome is the relatively undisciplined behaviour of Socialist voters. While the great majority of Communiste voters are expected to respect their Party's directive to vote for Socialist candidates in all constituencies where the latter are the joint standard bearers of the Left, the reverse is not necessarily true. Only some 60 per cent. of Socialist electors are expected to vote for Communists who are fighting duels with Government candidates.

After the first ballot, only 68 MPs were elected outright by obtaining an absolute majority of the votes. There will therefore be run-offs in the remaining 423 constituencies, the great majority of which will be straight fights between Government and Left-wing candidates. The Left is represented by 241 Socialists and 147 Communist candidates. On the Government side, Gaullists are contesting 217 constituencies and the UDF, grouping the Giscardian Republican Party and Centrists, 182 seats.

● France's foreign trade swung back into a small surplus in February, reinforcing the trend of uneven but steady improvement which has set in over the last six months.

The February surplus was Frs.64m. ($13m.) after seasonal adjustments, following a shortfall of Frs.1.85bn. in January. Exports rose 13 per cent. compared with the same month a year ago to Frs.26.8bn. while the growth of imports was kept back to under 6 per cent.



Thousands of gallons of crude oil spew from the inside of the giant grounded tanker Amoco-Cadiz near the Brittany coast. The giant vessel broke in two on the rocks and is threatening the beaches around Brest with serious pollution. The 220,000-tonne cargo from the ship has already formed a slick several kilometres long and some oil has already reached the coast, five miles from where the 109,000-ton vessel ran aground.

Computer technology for Herald Tribune

BY MAX WILKINSON

THE INTERNATIONAL Herald Tribune will change over on Easter Monday to a new computerised typesetting process which it claims will be one of the most advanced systems in Europe.

The newspaper which sells 120,000 copies a day throughout Europe, is abandoning the traditional method of setting type by casting lines in hot metal, in favour of an almost completely automatic process in its Paris office.

News items, which mainly come by wire agency service from the U.S. will be stored automatically in twin mini-computer systems. They will be edited in electronic form by the use of visual display units (VDUs) which are like television screens with keyboards attached.

When the editors have selected and altered the items they wish to print, an automatic machine will make a photographic image of the type, direct from the computer store.

The photo-typesetter to be used by the Tribune can generate 60,000 lines an hour compared with 200 lines an hour on each of the 22 traditional linotype casting machines.

Mr. Bob Eckert, publisher of the Tribune, claims that the system will be one of the most advanced now operating in Europe. One of the benefits expected is that the Tribune will be able to carry the latest New York stock market prices. The older machinery needed 75 minutes to print all the stock prices and as a result the Tribune was unable to carry closing prices. But the new computerised system will print the stock tables in only 15 minutes.

The system, costing $1.5m., will lead to a substantial reduction in manning which has been negotiated with the French print unions in talks which started last summer. Details of these negotiations are not being released, but it is evident that the Tribune has scored something of a coup, while newspaper managements all over Europe are struggling to gain acceptance of the new technology.

In Fleet Street, only the Daily Mirror has so far announced firm plans to move over to photo-composition, although Times Newspapers has installed computerised equipment and is currently negotiating with unions on manning levels.

One of the Tribune management's main achievements has been to obtain the French print unions' agreement that journalists should be allowed access to the computer system. Journalists will be able to type their articles directly into the system which will convert them automatically into type.

This principle of direct access by journalists has proved highly controversial in the U.K. and in other parts of Europe, particularly West Germany, where printers are engaged in a nation-wide dispute on the issue of computer setting.

As a result of the change, the Tribune's total staff in Paris will be cut to only 30 people. It will have no printing operation of its own, but will print instead under contract in Paris. Simultaneous editions will continue to be produced under contract at Uxbridge in the U.K. and in Zurich. The U.K. and Zurich presses will be supplied by facsimile transmission (via wire service) of the page images assembled in Paris.

Mr. Eckert said he was surprised by the speed of negotiations with the unions. Because of natural wastage and arrangements for redeployment agreed with the unions no unemployment would result from the change-over, he said.

The Tribune was first published in Paris in 1887. Since 1966, when the New York Herald Tribune closed, the International Herald Tribune in Europe has been published by Whitney Communications as a joint venture with the Washington Post and the New York Times.

Record rise in Canadian spending deficit

By Victor Mackie OTTAWA, March 17.

THE CANADIAN Government spending deficit in the financial year commencing April 1 will be a record C$11bn. (£5bn.)—a C$2.2bn. increase over the 1977-1978 deficit. Mr. Jean Chretien, the Finance Minister, announced the figures to a surprised and angry opposition in the Commons late on Thursday night about an hour before the majority Liberal Government pushed through retroactive approval for money spent in the final quarter of 1977-1978 as well as authority to borrow up to an extra C$5bn.

"It's a sad day for Parliament and the people of Canada," was the immediate reaction of Mr. Sinclair Stevens, the Progressive Conservative's chief economic spokesman.

Schmidt's chief troubleshooter tackles German strike crises

BY ADRIAN DICKS BONN, March 17.

FRESH peace efforts were disclosed to-day in both the printing and engineering disputes troubling West Germany. But it is not known this evening whether either has come closer to a solution.

Herr Hans-Juergen Wischnewski, Minister of State in Herr Helmut Schmidt's office and the Chancellor's chief troubleshooter, is understood to have played a key part in bringing together printing employers and union leaders under the chairmanship of Herr Josef Stingl, head of the Federal Labour Office.

After talks both separately with Herr Stingl and together on Thursday night, the two sides were expected to travel from Nuernberg to Bonn this evening for a fresh round of discussions.

It is not yet known whether the printers' union, IG-Druck und Papier, and the employers have moved any closer on the most divisive issues; the role, status, pay and manning levels of skilled hot-metal printers, after the present technology is replaced by cold-type, electronic setting.

Herr Wischnewski, whose past assignments have included the Mogadishu hijacking rescue and the urgent defusing of tensions with East Germany, entered the bitter printing industry dispute, as an "honest broker," after the Chancellor had appealed for a return to the bargaining table in a television appearance.

In the North Wuerttemberg-North Baden engineering industry, now in its third day of strikes, the two sides are to meet again for peace talks to-morrow morning. Both said they were setting no preconditions. However, the employers have already threatened a lock-out from Monday that would widen the dispute from 80,000 to about 200,000 workers.

Some room for compromise on the wage issue appears possible, now that the employers have improved their offer from 3.5 to over 4 per cent., while the union, IG-Metall, has retreated from 8 to just over 5 per cent. It may be harder for the two sides to agree on the clauses IG-Metall is seeking on job security and pay-group classification security.

Zambia devalues as part of IMF plan

By Michael Holman LUSAKA, March 17.

ZAMBIA TO-DAY devalued the kwacha by 10 per cent., as part of an International Monetary Fund (IMF) programme which will allow drawings from the fund over two years of $U.S.390m., as well as rescheduling an earlier IMF facility of $U.S.47m.

Government has also pledged a further reduction of the budget deficit in 1979, a reduction on internal borrowing by the Government, the mining companies and by the rest of the economy, and an incomes policy. In July, 1976, the kwacha was devalued 20 per cent.

Announcing the package to Parliament this morning, Mr. John Mwanakatwe the Finance Minister, referring to "a time of grave economic crisis," described it as "undoubtedly the last hope for the economic recovery of our country."

However, at a Press conference later, the Minister, who appeared well pleased with the outcome of negotiations he had described as "tough," said that such a large amount on what he described as favourable terms to an African state was unprecedented.

A key feature of the package is the pledge to reduce the budget deficit in 1979. Some observers believe that this can only be done by cutting military spending and by further reducing food and other subsidies.

Welcome news for overseas suppliers, some of whom have been waiting over a year for payment, is that the programme provides for "a progressive reduction in payment arrears."

The Bank of Zambia will bear the effect of devaluation on this pipeline. This will relieve expatriate workers, particularly the 4,000 in the mines, who have had a four-month delay in clearing monthly remittances and end-of-contract gratuities.

Rhodesian talks with U.S.-U.K.

By Quentin Peel PRETORIA, March 17

SENIOR RHODESIAN Government officials met British and U.S. diplomats for two-and-a-half hours of talks at the British Embassy here to-day in what is seen as an attempt to find common ground between the internal Rhodesian settlement and the Anglo-American proposals for an internationally acceptable solution.

The meeting is being presented in Salisbury as a Rhodesian attempt to win British and U.S. support for the internal settlement, whereas diplomats here insist that it is part of the effort to involve the internal Rhodesian leaders —Mr. Ian Smith, Bishop Abel Muzorewa, the Rev. Ndabaningi Sithole and Chief Jeremiah Chirau — in a further round of talks with the external nationalists, Mr. Joshua Nkomo and Mr. Robert Mugabe.

Our correspondent adds from the United Nations: The Security Council to-day wound up two weeks of debate on the Rhodesia situation with a resolution strongly condemning the Rhodesian armed incursion against Zambia and warning Mr. Ian Smith's Government that further such acts would bring serious UN repercussions.

The resolution, adopted unanimously, mentioned possible recourse to "the appropriate provisions" of Chapter VII of the UN charter which provides for such measures as a communications boycott and UN military intervention.

● Zambian President Kenneth Kaunda will meet Mozambique President Samora Machel tomorrow in the Mozambique town of Nampula, an informed source said today.

The talks between two of the five black African "front line" leaders opposing white rule in southern Africa follow a Rhodesian raid into Zambia last week.

Muzorewa says multi-party meeting useless

By Mark Webster

TALKS BETWEEN the Patriotic Front guerillas and internal black nationalists in Rhodesia would be of no use, one of the nationalist leaders said in London yesterday.

Bishop Abel Muzorewa, leader of the United African National Council (UANC), told a news conference that a multi-party meeting, as proposed by Britain and the U.S., would achieve nothing.

The multi-party conference was suggested by the British and the U.S. in order to end the deadlock between the signatories of the internal agreement in Rhodesia and the guerilla forces based in nearby Zambia and Mozambique.

The Bishop said he foresaw no future for Mr. Ian Smith, the Prime Minister, in an independent Rhodesia. He said Mr. Smith had only been included in the transitional Government because it was necessary to reassure the white population.

CRISIS IN SOUTH LEBANON

Syria opens border to Iraqis

By Our Foreign Staff

SYRIA HAS agreed to allow Iraqi volunteers to cross its territory and reinforce Palestinian guerillas in southern Lebanon, the Syrian press said yesterday.

The borders between Syria and Iraq were closed two months ago by Syria to prevent terrorist raids from Iraq into Syria.

The Syrian news agency said the Iraqi government asked Syria on Wednesday to allow military aid and volunteers to cross its territory. Syria replied by agreeing to direct any Iraqi ammunition or volunteers to the Palestine Liberation Organisation.

The Syrian government press has continually referred to the Israeli raid into southern Lebanon as an "agression that cannot be hidden behind the curtain of security." Reports said the real aim of the Israelis was the occupation of southern Lebanon.

One daily commented on the statement by Mr. Menahem Begin, the Israeli Prime Minister, that his troops will stay in the Lebanon until they can ensure that the Palestinians will not return.

"The Israeli concept of secure borders is not compatible with international law and U.S. principles," said the daily Tishrin.

Mr. Leonid Breshnev the Soviet President has sent a letter to the Syrian President Hafez Al Assad concerning the "grave situation in south Lebanon."

No details of the letter were released. It was handed to Mr. Abdul Halim Khaddam, Syria's deputy Premier and Foreign Minister by Mr. Youri Tchernia-kov, the Soviet ambassador, on Friday morning.

At the same time, some of the Syrian newspapers accused the U.S. and Egypt of condoning the Israeli raid. "Begin has conquered south Lebanon with the blessing of both Presidents Carter and Sadat," said an editorial.

U.S. calls for troop withdrawal from zone

BY DAVID BELL WASHINGTON, March 17.

THE U.S. has again called on Israel to withdraw from the 10km buffer zone that it now controls in South Lebanon. Mr. Walter Mondale, U.S. Vice-President, echoing a formal statement yesterday by the State Department, said to-day that he hoped an "alternative peace-keeping force," possibly under UN auspices, could take the Israelis' place in the area.

The Vice-President said that the Administration recognised Israel's "legitimate problems of security" but that Israel could not be allowed to remain indefinitely in Southern Lebanon. U.S. officials say privately that the Israeli action has already greatly complicated the search for peace and they fear that Israel may have no intention of pulling back.

President Carter is expected to raise this, and the contentious issue of Israeli settlements in both the Sinai and the West Bank, with Mr. Menahem Begin, the Israel Prime Minister, who arrives here on Sunday. He is due to start two days of talks at the White House on Tuesday.

There are no illusions here about the possibility that Israel will refuse to withdraw from southern Lebanon for some considerable time.

The State Department recognised as much last night in its statement. Mr. Hodding Carter, the chief spokesman, said the immediate concern of the U.S. must be to "end as quickly as possible the cycle of violence in the Middle East so as to keep attention focussed on the basic problems which produced it. . . . We do not intend to be distracted from efforts to resolve these basic problems."

This statement was seen here as another attempt by the Administration to remain as "even-handed" as possible, but is also recognised that the U.S. is in great danger of seriously alienating moderate Arab opinion — not to mention the Syrians—if it cannot prevail on Israel to pull out quickly.

300 feared killed in fighting as refugees flee 'in thousands'

BY IHSAN HIJAZI BEIRUT, March 17.

LEBANESE and Syrian officials held talks here to-day on the Israeli offensive and moves to take the matter to the UN Security Council.

Syrian Vice-Premier and Foreign Minister, Abdel Halim Khaddam, arrived here and went into immediate session with President Elias Sarkis, Prime Minister Selim Al Hoss, and Foreign Minister Fuad Butros. He was accompanied by Vice-Air-Marshal Naji Jamil, Commander of the Syrian Air Force.

Before leaving Damascus, Mr. Khaddam received the Soviet Ambassador, Yuri Tcherniakov who, according to Damascus radio, delivered a message from President Leonid Brezhnev to President Hafez Assad.

The number of civilian dead in the fighting has now been given by independent sources at 300. Many villages have been destroyed, and a stream of refugees—as many as 100,000—are fleeing northward to Sidon and Beirut. Lebanon already had 250,000 displaced persons, the victims of two years of civil war.

Mr. Burtos to-day welcomed the U.S. government statement last night calling on Israel to withdraw from South Lebanon, and supporting a UN role in the region along with the extension of the authority of the Lebanese government.

Informed sources here believe the United States will seek a Security Council resolution for sending UN troops to the south to police the border area while law-and-order duties will be shouldered by 4,000 Lebanese soldiers forming the nucleus of a restructured Lebanese army.

President Sarkis met last night with Brigadier General Victor Khoury, the army commander.

Christian leaders, however, demanded that the Palestinians be disarmed and confined to their camps until their problem is settled.

Syria had in the past opposed the idea of stationing UN forces in southern Lebanon. Syria provides 30,000 troops to the Arab peace-keeping force.

Foreign Minister Butros to-day also received Sir Peter Wakefield, the British ambassador. Britain is the president of the Security Council for this month.

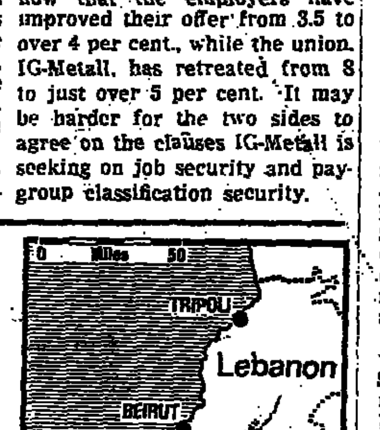
Israeli fighter aircraft, including sophisticated U.S.-made F-15s, and artillery pounded the Nabatiyah area—now the main gathering point for the guerillas in the south.

Roger Mathews reports from Southern Lebanon: The Palestinian military command in southern Lebanon is looking forward to a prolonged war with Israel and is confident that any proposal to bring in UN troops will be vetoed in the Security Council by the Soviet Union or China. Fierce fighting continued for the third day between guerillas and Israeli forces which are still advancing in some areas.

The news that Syria has agreed to allow volunteers and supplies from Iraq to pass through its territory provided further encouragement for the Palestinians, although there is no evidence so far that Syrian fighter aircraft have been airborne in defence of its positions north of the battle area.

Dr. Elias Shoufani, speaking at the command headquarters of Al Fatah, the largest guerilla group, said this afternoon that the situation had become one of classical guerilla warfare. There would be no ceasefire, he pledged. Palestinian losses had been much lighter than expected and already a start was being made on small harrying counter-attacks.

Some of the heaviest fighting to-day was around the Palestinian-held town of Tibnine. From four kms away, nearby Palestinian units could be observed launching 120 mm rockets and artillery fire towards Israeli positions and then moving quickly before the expected retaliatory air strikes. Small groups of guerillas moved along roads and through the hilly countryside, some probably preparing for action under cover of darkness.



Overhead, Israeli aircraft could be heard, but they seemed mainly to be concentrating on more clearly defined Palestinian positions. The guerillas said that sophisticated fighter planes and heavy armour were of very limited effect.

Throughout the night Israeli forces, also bombarded an area near the port of Tyre and doctors at the two hospitals there held urgent consultations to-day to decide on possible evacuation plans. Working conditions had become almost impossible, they said.

The Lebanese population continues to suffer heavily. An Israeli attack on the main coastal road far removed from the fighting area this morning hit two cars laden with rufgees. One car was totally burned out, the other very badly damaged. All the occupants of the vehicles—the number could have been as high as 14—were reported to have been killed. Further south in Tyre bodies were still being dug out of houses hit by Israeli air strikes on Wednesday.

As more and more people are being forced out of their homes the Lebanese authorities are starting to provide tents and other basic aids. Many of the refugees in the town of Sidon spent last night in mosques and see no prospect of being able to return home.

The Palestinian view is that Mr. Menahem Begin, Israel's Prime Minister, is now trapped in a corner "If he withdraws he will weaken politically," said Dr. Shoufani. "Once he stops advancing then, as already is happening, we will start inflicting casualties with counter-attacks. He is quite welcome to advance further. Territory has no significance for us."

Israelis sceptical about proposals for a UN force

BY IAN DAVIDSON, FOREIGN EDITOR TEL AVIV, March 17.

U.S. PROPOSALS for the creation of a United Nations force to permit the withdrawal of Israeli troops from southern Lebanon are being actively studied by the Israeli Government, after consultations with the British Ambassador in Israel, Mr. John Mason. But the initial reaction in Jerusalem is one of profound scepticism.

Meanwhile, Israeli forces to-day continued their mopping-up operations in South Lebanon, as part of their declared aim of clearing out Palestinian guerilla bases from a 10-kilometre belt of frontier territory running from the Mediterranean coast to the foothills of Mount Hermon.

Israeli authorities know that their occupation of South Lebanon will be very high on the agenda at next week's talks in Washington between Mr. Menahem Begin, the Israeli Prime Minister, and President Carter. Some strategy specialists here fear that the withdrawal of Israeli forces south of the Lebanese border may be a pre-condition for the resumption of the deadlocked Middle East peace talks between Israel an Egypt.

But no one here has any very plausible plans for satisfying Mr. Begin's requirements, that there must be "an arrangement and agreement" to prevent South Lebanon from being used by Palestinian guerillas for attacks against Israel.

The Government is sceptical about U.S. proposals for a UN force, because it doubts whether such a force could be constituted in sufficient strength and with an adequate mandate to prevent the return of Palestinians to the frontier zone and the rebuilding of guerilla bases in an area which totals 1,000 square kilometres.

Ideally, the Israelis would prefer the legal Government in Beirut to resume its responsibilities as a sovereign state, and take over the policing of South Lebanon itself. But they know that effective authority in Lebanon as exercised by the 30,000-man Syrian peace keeping force, the Lebanese army split on confessional lines during the Christian-Moslem civil war of 1975-76, and the central Government under President Sarkis, has made as little progress in reconstituting an integrated national force.

The alternative is that the Syrians themselves should undertake to prevent the return of the Palestinian guerillas to South Lebanon. The Israeli authorities remain adamantly opposed to any suggestion that the Syrians should themselves station troops between the Litani River and the Israeli frontier. But they argue that the Syrians could effectively police the river line, control the supplies and lines of communications, and put pressure on the Palestinian headquarters in Beirut.

Israeli sources recognise, however, that the Syrians show no sign of being prepared to impose this degree of restraint on the Palestinians' guerilla activities, and, while the Syrian forces have so far avoided any engagements with the Israelis, they have done nothing to prevent the Palestinians from keeping up artillery and rocket bombardment of Israeli forces across the Litani.

In the absence of any new peace-keeping plan, therefore, there is growing speculation here that the Israeli presence in South Lebanon may prove as protracted as the Syrian presence in the rest of the country.

● Britain to-day backed the U.S. call that Israel should withdraw its troops from South Lebanon, possibly to be replaced by an international peace-keeping force. A Foreign Office statement said Britain had already assured the Lebanese Government of its "continuing full support for Lebanon's full independence and territorial integrity."

"The threat to Israel's security from terrorist activity in South Lebanon can in our view most effectively be countered by the establishment of an international force with the Lebanese Government's support."

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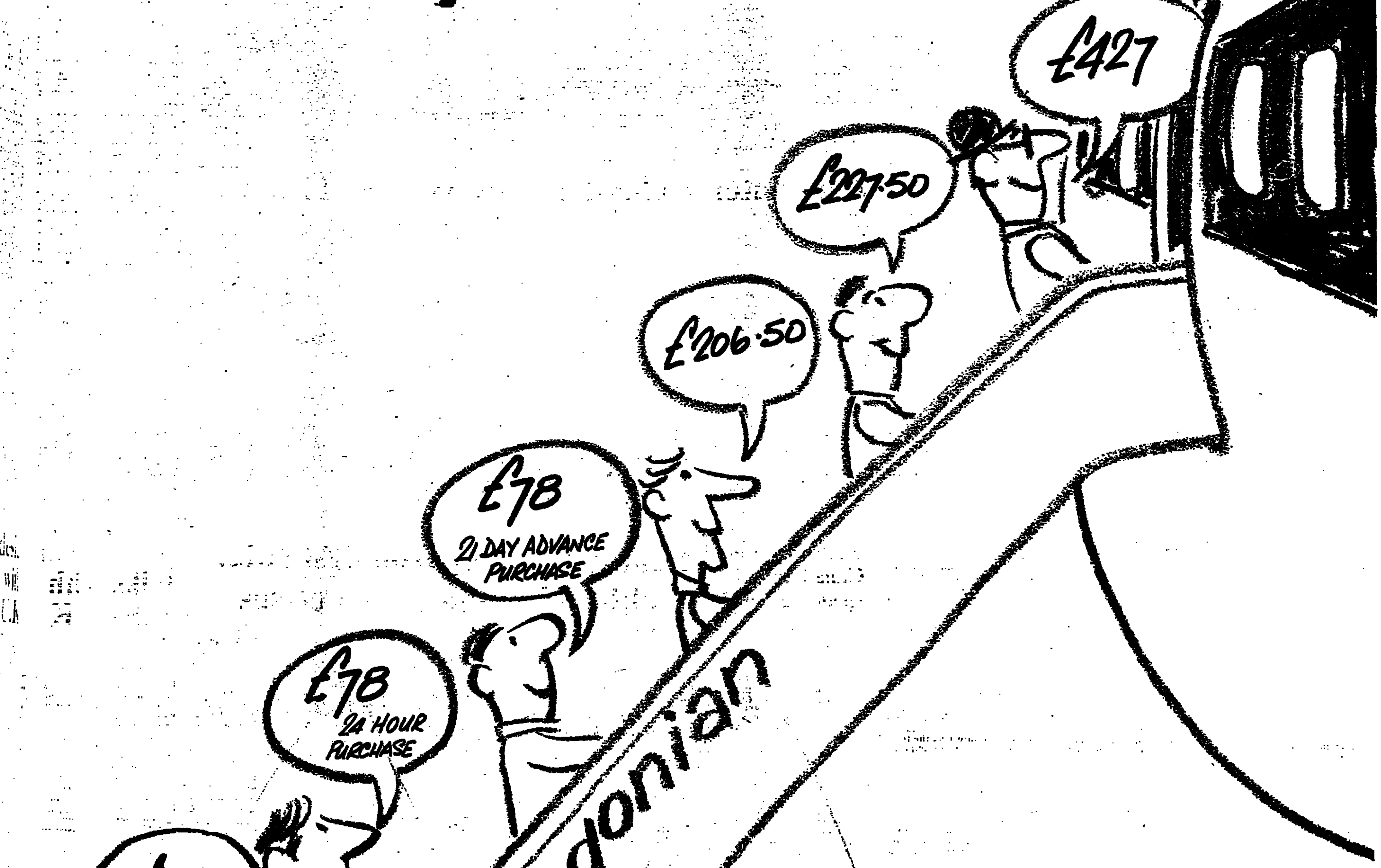

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'Obnoxious clauses' protest delays State contracts

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

THE SIGNING of new Government contracts with the private sector was brought almost to a standstill by the Confederation of British Industry for a five-week period, Sir John Methven, director-general, claimed yesterday.

The action was taken in protest at what Sir John termed "the obnoxious clauses" proposed by the Government for insertion in public contracts to penalise companies breaching the 10 per cent. pay guidelines.

Sir John said, in a comment underlining the impact of the confederation's action: "We have never seen that before and I doubt if the Government has seen it before."

He said in Birmingham yesterday that there was every indication that companies were now signing the revised documents. The confederation's action had not caused any permanent damage because existing contracts had continued.

John Elliott, Industrial Editor, writes: Sir John's claim is specially significant because the stand taken against the pay clauses is seen by leaders of the confederation as evidence that companies are prepared to act collectively in defiance of the Government on a key issue.

But there is likely to be a continuing debate over how effective the confederation was in slowing Government business. The Ministry of Defence agreed last night that there had been a slowing in tendering and signing of its contracts during the period.

On the other hand, many construction companies continued their tendering and pre-contract work in the normal way on the understanding that the contracts eventually would include the clauses agreed by the Government and the confederation.

Detail complete

Detailed drafting of these clauses has been completed by the Government. They are expected to be sent on Monday to the confederation whose specialist working party on the subject will study them on Tuesday.

If they are approved, they will be inserted in all contracts signed with the Government for public sector work during recent weeks in place of the clauses opposed by the confederation.

Details of contracts relased by the Government's Property Services Agency since the disputed clauses came into force on February 22 show that it placed or announced about 70 contracts during this period. They were mainly for construction work and included 13 worth more than £100,000 each.

Cheap fare flights to U.S. cities start this morning

BY LYNTON McLAIN, INDUSTRIAL STAFF

BRITISH airlines will start cheap fare flights to U.S. cities from this morning as a result of agreement reached between the U.S. Civil Aeronautics Board and the Department of Trade in Washington yesterday.

Throughout the day, flights operating cheap stand-by fares will take off from London Heathrow and Gatwick airports for Washington, Detroit, Chicago, Los Angeles, San Francisco, Houston and New York.

On Sunday, Braniff starts its Gatwick to Dallas-Fort Worth service and on Monday British Airways starts its cheap flights to Boston and Philadelphia.

Only 20 stand-by fares at £69 single were still available last night for this morning's inaugural British Caledonian cheap fares flight from Gatwick to Houston.

Most of the balance of 121 seats on the Boeing 707 have been sold at the economy single price of £227.50. Most of the passengers were U.S. citizens, "a mixed bunch of people, mainly businessmen and some young people."

British Airways said last night that it expected the new cheap fares to replace its charter flights.

The Trade Department said that the agreement meant that air fare advantages previously available only on the New York to London run, were now available to travellers on flights between Britain and 14 U.S. gateways.

In addition, the understanding promised that each country would consider favourably other innovative fare proposals based on the mutual understanding that there was reciprocity in the treatment of each other's airlines.

Both countries had agreed to review the position this autumn.

The dispute over how cheap "cheap" air fares on the Atlantic run should be came to a head on March 6 when President Carter set yesterday as the deadline for agreement between the two sides.

The row has been simmering since the Bermuda II talks on rates last year.

The U.K. believed the agreement provided a sound framework for settling disputes like that involving Braniff, which was refused rights by the U.S. to fly from Gatwick to Dallas earlier this month.

Jurek Martin, U.S. Editor, writes: Britain and the U.S. reached agreement after hard and often acrimonious bargaining lasting almost until dawn.

It is clear that the U.S. had won the essential argument over wider use of budget and standby fares, but it was accused of having caved in to domestic political pressure with the result that a key charter provision was dropped at the last minute. The State Department later denied the "political pressure."

The key provision concerned what are known as "part charters" under which scheduled airlines may fill up spare seats with charter customers and vice-versa. This question, too, will be taken up again in the autumn.

The U.K. also got the U.S. to agree that the new liberalised charter rules should last for two years rather than one, as the U.S. had wanted.

Banking union 'will not discuss change in hours'

BY PAULINE CLARK, LABOUR STAFF

THE NATIONAL Union of Bank Employees, which has long been in conflict with the rival banks' staff associations, is against "even discussing" the question of longer opening hours until it is given a weightier role in negotiating structures.

The 111,000-strong union on Thursday rejected a Barclays plan for more flexibility in opening hours as part of a productivity deal.

Yesterday's decision by the 25-man executive committee is the first to be taken as a matter of general union policy in the clearing banks.

After a special meeting to discuss greater flexibility in opening hours, the executive also made it clear that it would not agree to proposals for extending the services of Bureaux de Change in the banks.

The union feels that bureaux de change in the clearing banks could be used as a back-door method for achieving general longer hours of service to customers.

Mr. Leif Mills, general secretary of NUBE, said yesterday the issue of longer hours could be raised, however, once the union was given "effective negotiating rights" in the banks.

In the meantime, Mr. Mills believed that the banks had tried "to take advantage" of the union's withdrawal from bargaining relations with staff associations to achieve a free hand on opening hours.

Following the recent attempt by Barclays to attach conditions to a productivity offer, the union executive said it would be pressing for productivity payments "but with no strings attached."

Mr. Michael de la Mare, Guernsey's industrial relations officer, has written to the Federation of London Clearing Banks to try to avert a series of one-day strikes by bank staff in the Channel Islands.

The bank staff want separate negotiations on pay and conditions outside the U.K. national agreement.

British Shipbuilders takes over Ailsa

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

THE AILSA yard in Troon is to be taken over by British Shipbuilders, it was announced yesterday. An assurance was given that every effort would be made to keep the order-hungry and loss-making concern in business.

Ailsa, which employs 450 men, has only one order on the stocks — a buoy tender for Middle East Navigational Aids Society. This will be complete by the end of this year and the yard is already running out of steel work.

The Troon yard is the largest private shipbuilding company in Scotland, owned predominantly by the Gilbey Gold Trust, which took over many small private shareholdings seven years ago. The Marquess of Ailsa is a Board member, but the family no longer has a substantial stake.

Mr. Peter Hutchison, chairman, said last night that the company were aiming for a vesting day of April 1. The company made known its desire to be taken over last autumn, but its approach was rejected on the grounds that British Shipbuilders needed more time to settle in after its own vesting day last July.

Neither side was prepared to disclose financial details of the take-over. Ailsa, like most other small shipbuilding yards in Britain, has been losing money in the last two years, although prior to that it had quite a good record.

Its biggest recent order was for 22 patrol boats for Mexico and two years ago, it spent £800,000 on a covered yard. Ships up to 5,000 deadweight tons can be built there.

Ailsa's lack of orders is likely to be resolved soon. British Shipbuilders has been holding back one of the 4,400-ton bulk carriers from the £115m. Polish order and it is expected that Ailsa will now get this work.

Architects' commissions decline in value

By James McDonald

A DROP in the value of private architects' new commissions last year underlines the depressed state of the building industry.

In spite of an increase in the final quarter, last year saw the value of new commissions at their lowest ebb since comparable prices were collected in 1964, says the Royal Institute of British Architects.

At current prices, the value of new commissions rose from £731m. to £850m. between the third and fourth quarters of last year, an increase of 12 per cent. at constant prices.

But there was little increase over the same three months of 1976. The rise over the quarter ran parallel to the increase in contractors' new orders of 9 per cent. at constant prices.

New architects' commission last year totalled £3.2bn. At constant prices, says the institute. This represented a drop of 15 per cent. from the 1976 level, compared with a 7 per cent. fall in contractors' new orders.

At the later production drawings stage, work declined from £742m. to £648m. between the third and fourth quarters of last year.

"At constant prices, the drop was 15 per cent., following the drop in new commissions in the previous two quarters. In 977 as a whole, the value of work entering the production drawings stage fell by 18 per cent. at constant prices."

Last year, the value of work certified—work supervised and certified by private architects for payment by the client to the contractor, which reflects building completions—rose to £2.32bn. from £2.21bn. in 1976.

● The Community Land Act "has proved itself to be unsatisfactory and should either be radically amended or repealed," the Royal Institution of Chartered Surveyors said in a report published yesterday.

Scots Labour Party backs devolution and attacks SNP

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE LABOUR Party in Scotland yesterday gave overwhelming backing to the Government's devolution policy and launched an attack on the Nationalists.

An attempt by Mr. Tam Dalyell, Labour MP for West Lothian, at the Scottish conference of the party in Dunoon, to block the use of party funds in the referendum campaign — a move which would have seriously embarrassed the Government—received little support from delegates and was condemned by the big unions.

Instead, the conference endorsed a call for a united campaign by unions and the party to win support for devolution when the referendum is held this autumn.

The debate again demonstrated that a split still exists over the creation of a Scottish Assembly. The issue was described as the most divisive facing the party, affecting every constituency association in Scotland.

Delegates responded to a plea for unity from Mr. Donald Dewar, Labour candidate for the Garscadden by-election next month, who tied the devolution issue to the impending clash with the Scottish National party which will be vital to Labour's future.

Mr. John Smith, Minister responsible for devolution, said that the 40 per cent. threshold imposed on the referendum by anti-devolutionists in Parliament was not an insurmountable obstacle.

It could be overcome provided there was a strong campaign to achieve a high turnout and a large "Yes" majority.

Support by Varley likely for Leyland

By Terry Dodsworth, Motor Industry Correspondent

A BRIEF statement of support for British Leyland's new corporate plan is expected from Mr. Eric Varley, Industry Secretary, before the Commons rises for the Easter recess on Thursday.

This may sanction a further National Enterprise Board loan to the company—Leyland still has to draw down £100m. voted by Parliament last summer—but will put off until the new session the main discussion of the Leyland proposals.

It is widely accepted that there will have to be a full Parliamentary debate on these proposals because they contain a controversial request for Leyland to be given £450m. in equity finance in place of a similar amount of loans in the original plan.

Suggestions

Leyland's suggestions on new funding are designed to give the new management a lengthy period free from financial constraints.

However, the Government is unlikely to give Mr. Michael Edwardes, Leyland chairman, all the money he wants at once. It is felt that the new management must prove itself before being allowed a completely free hand, and the National Enterprise Board, which owns 95 per cent. of Leyland, wants to advance only a year's funds in the first place.

This could be done by means of a rights issue based on part-paid shares. The group's financial requirements will be made clearer on Monday when it presents its preliminary results for 1977.

Head of teachers' pay tribunal named

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THE TRIBUNAL on the teachers' pay dispute affecting schools in England and Wales is to be headed by Professor Laurence Hunter, who holds the chair of applied economics at Glasgow University.

The appointment was announced by the Advisory Conciliation and Arbitration Service yesterday—nearly three weeks after education authorities and unions representing about 460,000 teachers reached a deadlock in talks on the annual pay increase, due on April 1.

The other two tribunal members are expected to be chosen within the next few days, from lists submitted by the unions and the authorities.

The authorities insist that, because the upward drift of the teachers' incremental pay scales would add 1 per cent. to the total pay bill this year, only 9 per cent. could be offered for the "one-jump" increase next month.

This was rejected by the unions, who were claiming 12½ per cent. and, under the Remuneration of Teachers Act, the dispute was automatically referred to arbitration.

The award recommended by the tribunal is binding on Mrs. Shirley Williams, the Education Secretary, and can be set aside only by a resolution of both Houses of Parliament.

Major associations of local education authorities are expected to meet on Monday to examine whether the pay guide lines permit a higher offer, but it seems unlikely that they will be able to satisfy the teachers' demands.

The 245,000-strong National Union of Teachers and the 100-000-member National Association of Schoolmasters and Union of Women Teachers are expected to continue withholding staff from "voluntary" duties until the end of term.

In some schools, teachers' refusals to organise meals has led to disruptive counter-demonstrations by older pupils. Both the unions will review their action during their policy-making conferences at Easter.

Survey shows risks in coal mining

BY DAVID FISHLOCK, SCIENCE EDITOR

COAL, the fuel sector expecting the biggest investment in Britain in the next few years, is also the most dangerous sector, says a report on energy hazards released yesterday by the Health and Safety Commission.

The number of workers killed in the production of each 1,000MW-year of electricity in Britain is put at 1.8 for a coal-fired station, 0.3 for an oil-fired station and 0.25 for a nuclear station.

The U.K. energy industry is estimated to employ more than 500,000, with about 5,000—excluding research establishment workers—engaged in nuclear power.

The study was prompted by letters sent to Mr. Anthony Wedgwood Benn, Energy Secretary, over a year ago by members of the staff association at the Dounreay nuclear establishment in Scotland.

The letters were drafted in response to what was seen as the Energy Secretary's efforts to focus public interest on nuclear hazards—for example by demanding the reporting of minor radiation incidents—while overlooking the hazards of conventional sources of energy.

In compiling a comparison of deaths due to accidents associated with electricity production from different fuels, the commission has ignored health effects and assessed only routine risks.

It acknowledges that the inclusion of severe but very rare events—such as a major release of the chlorine used for water treatment—could invalidate the comparison for any year in which the event occurred, or even for a decade. Chlorine is stored in bulk at all power stations. It could cause a large number of deaths.

The report lists four chlorine accidents in Europe in which fatalities have totalled between seven and 60. But the probability of such events is judged to be so small that they would have no significant effect on long-term mortality averages.

It says that in the long run most deaths in industry are caused by events which each affect only a small number of people.

Report by the Health and Safety Commission on the hazards of conventional sources of energy. S.O., £1.

Liberals get tough with Government

BY RUPERT CORNWELL, LOBBY CORRESPONDENT

THE LIBERALS last night increased their pressure on the Government over the Budget when a senior MP said that unless "significant movement" was shown towards Liberal policies, the party would block its passage through Parliament.

It is no idle threat, for if no understanding under the Lib-Lab pact can be reached on the package to be announced on April 11, Ministers would face the impossible task of piloting the Finance Bill through the Commons without a majority — and risk being forced into an early election.

Negotiations are continuing between Treasury Ministers and Mr. John Pardoe, Liberal economic spokesman, and the Liberals' own draft programme will probably be published early next week.

Mr. Alan Beith, Liberal Chief Whip, told a constituency meeting in Berwick upon Tweed that the Budget would be a particular test for the pact.

The 13 Liberal MPs could back only a Budget "which clearly sets out to meet the present needs of our country as we see them."

Broker's trial adjourned

THE TRIAL of three former partners in the stockbroking firm of Chapman and Rowe, which was hammered in 1974, and their managing clerk, was adjourned at the Old Bailey yesterday for 12 days after the evidence in the case had ended.

This will enable closing speeches by counsel to begin on March 29 so that they will not be interrupted by the Easter holiday vacation.

The summing-up by Judge Neil McKinnon will follow, and the jury is expected to reach verdicts in the trial—which has now lasted 2½ months—by mid-April.

The defendants are former partners Mr. Alan Harman, 34, of Putney; Mr. George Edward Miller, 38, of Surbiton; Mr. Ronald Clarke, 50, of South Kensington, and former managing clerk Mr. John Michael Goodsell, of Sharpthorne, Sussex.

All deny conspiring to defraud clients of the firm between 1973-74 before it was hammered with a near £2m. deficiency, pledging clients' securities without authority for bank loans, and furnishing false information to the Stock Exchange about the firm's financial position.

Callaghan given poll pledge by Benn

BY RUPERT CORNWELL

AN ALL-OUT effort by the Left to secure the return of a Labour Government under Mr. Callaghan was pledged last night by Mr. Anthony Wedgwood Benn Energy Secretary, as he swung back into line with his Cabinet colleagues.

His remarks, to a rally of Tribunite Left-wingers in Bristol, differed sharply in tone from his recent public speeches with their implicit criticism of the Government for its failure to push through genuinely Socialist policies—and are the most significant sign yet of the party closing ranks for the general election.

Mr. Benn emphasised that Labour's strength lay in the variety of opinions in its ranks.

He said: "Let no one suppose that the policy debates inside the party, which will continue through the drafting of the manifesto and into the next Parliament, indicate any hesitation in working flat-out for electoral victory under Jim Callaghan."

Legal report on Vosper transactions

Financial Times Reporter

THE DIRECTOR of Public Prosecutions is considering a preliminary report on Vosper Thornycroft (U.K.), the warship building company that was taken over by the State-owned British Shipbuilders last year.

Yesterday Vosper Thornycroft said it could not confirm that the report was concerned with commission payments it had made in connection with contracts it had had with Brazil, Venezuela, Nigeria and Libya.

The company said that Hampshire police had removed documents from its premises. This was after Mr. John Driver, a purchasing manager with Vosper Thornycroft, had appeared in court on charges connected with supplies made to the company.

He first appeared in court in November when the case was adjourned until March 10. It has now been further adjourned until June.

Hampshire police refused yesterday to confirm that they had taken documents from the company. A police spokesman said the reasons for this refusal to comenmt would become evident next week.

Civil servants in protest to Lord Privy Seal

A DELEGATION from the 105,000-strong Society of Civil and Public Servants is planning on Monday to express its "anger and disgust" to the Lord Privy Seal over a pay claim which it feels has been ignored.

After an executive council meeting yesterday, Mr. Gerry Gillman, general secretary, accused the Government of "demonstrating a contempt for collective bargaining."

The union says it is still pressing for pay increases of between 22 and 28 per cent. but, although the claim has been on the table for some weeks, there has been no move towards a start in negotiations from the Civil Service Department.

Mr. Gillman said the executive council was disgusted with this "cynical behaviour. The Lord Privy Seal will be left in no doubt that we deplore such treatment from a Government which talks of good industrial relations yet behaves in such a cavalier manner when dealing with its own employees."

The Civil Service Department said yesterday that it had held discussions with all the Civil Service unions on their pay claims and that an offer would be made soon.

Although it will come as no surprise to the union to see an offer within the Government's 10 per cent. guidelines, it is insisting that proper negotiations should take place first and its case for a much larger increase be heard.

North Sea divers rescue system deal agreed

BY RAY DAFTER, ENERGY CORRESPONDENT

A NEW RESCUE system for North Sea divers is expected to be introduced in the next few weeks after months of arguments over who should pay for it.

Oil operators have agreed in principle to finance the service which is designed to carry divers under pressure from offshore structures to a rescue base at Aberdeen.

Divers who need to be evacuated quickly will be taken in pressure chambers from North Sea decompression chambers and flown ashore by helicopter.

Operators have also promised to consider reimbursing International Underwater Contractors, the U.S. diving contracting group which designed the system, for the development costs. These are estimated to be about £450,000.

The system was ready for operation in August but its introduction was delayed while offshore oil companies, diving contractors and Government departments argued over who should provide the finance.

The agreements came after a meeting in London on Thursday of representatives from the Department of Energy's diving inspectorate, the Scottish Home and Health Department, the Association of Offshore Diving Contractors, the U.K. Offshore Operators Association, the Health and Safety Executive and International Underwater Contractors.

The offshore operators have agreed in principle to pay for the system by means of payments based on the number of diving decompression sites in the U.K. sector of the North Sea. It is expected that the payments will average $44 a day per installation for a one-year contract.

International Underwater Contractors took a gamble in providing the system specifically for the North Sea, in the hope that they would be reimbursed by the offshore operators and the National Health Service. The company said yesterday that a $44 a day payment would enable the system to be maintained in operational readiness.

Owen warns on South Africa

British businessmen and investors should take a hard look at their South African connections, Dr. David Owen, Foreign Secretary, said last night.

He told a Labour Party meeting in Carlisle: "In investment and in trade, this country faces a painful dilemma in its relationship with South Africa. We must reduce our overdependence on that country economically. We stand to lose more than most if things go wrong.

"Prudent businessmen and prudent investors, no less than the British Government, should be taking a hard look at their South African connections."

Newspaper dispute talks make progress

BY OUR LABOUR CORRESPONDENT

PROGRESS towards a permanent settlement of the wholesalers dispute which has disrupted newspaper supplies in the London area for the past four days was made yesterday.

Some points remained unresolved after a meeting between the Society of Graphical and Allied Trades and the Federation of London Wholesale Distributors but an employers' spokesman said it was hoped that the position would now improve.

About 1,000 SOGAT members have been banning overtime and working to rule in a dispute over consolidation of Phase One and Phase Two payments and an unsocial hours payment. It has prevented distribution of millions of copies of newspapers and magazines.

● A National Union of Journalists committee hearing a complaint that 37 journalists employed by the Press Association, the national news agency, worked during a one-day strike last May, opened and adjourned the hearing yesterday.

An NUJ official said: "The hearing was adjourned without any evidence being taken to enable the complaints panel—consisting of three members of the national executive council—to report to the full NEC meeting on April 7 on procedural submissions made on behalf of the accused members."

Warning of diamond surcharge

BY PAUL CHEESERIGHT

A WARNING that a surcharge on rough diamond sales would be levied if heavy speculative trading continued on the open market was given yesterday by the Central Selling Organisation. The organisation acts for De Beers, the South African group which produces more diamonds than any other Western concern, and for smaller producers.

It said that the decision on whether to impose surcharges would be taken just before a sale was held and would depend on market conditions. Each year it holds ten sales in London, where about 300 clients are presented with a package of rough stones. The next sale is on March 28.

After the imposition of a 17 per cent. rise in rough diamond prices in December, the organisation has ruled out any further overall increase, at least for the time being.

It said: "While worldwide consumer demand for diamond jewellery continues to increase, there does not appear to be sufficient evidence to suggest that the inflated premiums being asked for rough diamonds are capable of being sustained in terms of future demand for polished stones or finished diamond jewellery."

The surcharge warning is a response to the accumulation of rough stones in the diamond cutting centres, particularly in Israel.

Merchants have been reluctant to pass stones further down the processing chain, preferring to hold them as a hedge against currency and political instability. Open market prices have climbed in some cases to a 50 per cent. premium above the organisation's levels.

De Beers drew attention last week to what it called "the dangers inherent in this situation," and, now, the stiffening of its attitude towards the overheated gem market seems designed to do two things.

First, the organisation's statement makes clear that if there are to be prices at inflated levels, the producers of the diamonds should share some of the profits.

Second, by holding over the merchants the possibility of sudden changes, the organisation presumably is hoping that they will find holding rough stones a greater risk and will be induced to resume more actively their role as middleman between producers and processors.

The organisation is seeking greater flexibility in marketing in the face of uncommon circumstances. The last time there was a speculative build-up of stones in the cutting centres was 1969-70.

New fire-service threat lifted

THE THREAT of renewed strike action in the fire service—this time over officers' pay—was removed yesterday when unions and employers reached agreement on a new formula.

A claim by the officers had been pending since the settlement of the two-month national firemen's strike earlier this year.

Last week, members of the Fire Brigades Union in some parts of the country threatened to stage short lightning strikes in support of the officers unless there was a rapid settlement.

Yesterday's agreement, subject to Government approval, will give the officers a similar pay formula to the one which ended the firemen's strike.

They will also receive 10 per cent. increases backdated to November.

Hard workers 'being fined'

THE INCREASING likelihood that there would be a Phase Four of pay policy was a striking example of how "Government interference, once started, carries on with an irresistible momentum of its own," according to Mr. Anthony Frodsham, director general of the Engineering Employers Federation.

There was increasing intervention in every walk of life while only in the massive institutions of State was there real growth. "We have watched the successful and hard working being fined more on the extra £100 which they earn than they would have to pay for driving at 100 miles an hour on a city's ring road," he said in Manchester yesterday.

THE WEEK IN THE MARKETS

Erratic trading period for equities

It has been a topsy turvey week for equities. but apart from some profit taking yesterday gilts have been relatively firm. The new account started with the market hoping for some follow through from the recent buying activity but the support proved thin and after opening higher, prices drifted lower for much of the day leaving the Financial Times Industrial Ordinary Index only marginally higher.

Prices continued to drift lower on Tuesday but after some very good trade figures the market perked up reversing an earlier 3.7 fall to finish nearly a point up. Gilts were firm for most of the day and both tap stock level were tested.

This recovery, however, was short lived and with little interest in leaders the index fell 6½ points although gilts were once again firm. The slide continued on Thursday but cheap buying meant a gradual pick up in prices for small gains on the day. By the end of the week investment interest was very thin while gilts suffered some reaction.

BP muddle

Ask any stockbroker's analyst what he fears most and he will reply "making a wrong profits forecast." He will also add that year-end adjustments are another nightmare for they can give the impression that their carefully worked calculations are wildly wrong. In Thursday's full year figures from British Petroleum year-end adjustments were there in some number so confusion reigned supreme.

There were three major items which caused vigorous head scratching. It was not made clear initially that BP had charged an extraordinary debit of £54.2m. relating to the overseas capital gains tax claim mentioned in the last accounts, which has since been agreed and paid.

Then there was the shortfall caused by adverse currency movements on the translation of some overseas current assets. This could have lopped off £20m. from fourth quarter figures.

But of considerable concern to the analysts was the group's switch to ED19-type reporting basis under which less tax is being charged and deferred.

Most are now hoping that BP clearly sets out what difference adoption of this standard will make to current year figures.

Storm brewing

Next Tuesday Mr. Roy Hattersley. Secretary of State for Prices and Consumer Protection, is due to decide whether the recent price cuts announced by the tea companies are enough—or whether he will use his powers to force further reductions.

At this stage the latter course seems unlikely but the companies, like Brooke Bond Liebig, which announced its interim results this week, are still bitter about the cuts which have already been made.

Following a Price Commission report, earlier this year, tea prices have come down around 2p a quarter which should have brought prices back to near enough the 21p-22p level, suggested by the Commission, to prevent any further enforced cuts.

LONDON
ONLOOKER

The big four U.K. tea blenders, including Brooke Bond however were again absent from the London tea auctions this week ("How can we buy when we do not know what price we will be allowed to charge?"). They claim that the cuts may be premature given the recent volatility of tea prices which soared to a peak (London average price) of 270p a kilo in March last year before slipping back to 114p a kilo by the end of 1977. The blenders say that prices have now begun to rise again.

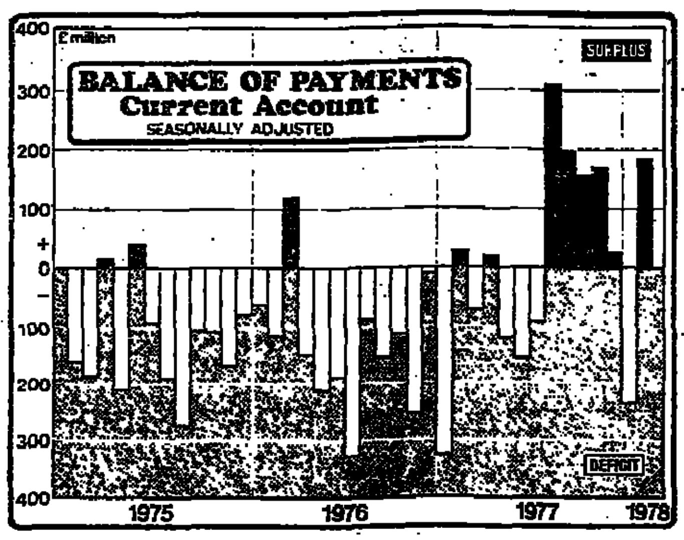
In the six months ending December 31, 1977 tea prices although coming down were still in Brooke Bond's favour and overseas profits helped by big gains from its plantations rose by 60 per cent. to £30.6m.

However this was still short of the £24.3m. overseas profits earned in the second half a year ago and the shortfall will be much steeper in the current half.

More important tea volume sales in the U.K. dropped sharply during Brooke Bond's first quarter and have only partially recovered since then and U.K. profits in the first half fell by 22 per cent.

Given the confusion about tea prices and the hence distorted pattern in retail and wholesale trends, analysts are now forecasting pre-tax profits for the year nearer to £40m. than the £49.4m. earned in 1976/77.

The group has become accustomed to Government intervention in the operation of its overseas tea growing and distribution business—with India for example slapping on a much increased tea export tax last year—but it is now experiencing greater Government pressure in consumer countries, which increases the strain.



Bell pleases

The market was well aware that Arthur Bell was due to report some good figures last week, but few analysts had envisaged a jump in profits for the whisky group of £2.5m. to £7.77m. pre-tax. Most estimates were pitched around the £7m. level. The actual result is even more encouraging when it is considered that during the comparable period the trade was very buoyant with heavy buying ahead of the January 1 duty increase. For the industry as a whole withdrawals from bond fell by 13 per cent. in the six months to December, but Bell's experience was far better with volume holding steady. In the U.K. its market share rose by a couple of points to over 21 per cent, while export volume climbed by 4 per cent against an industry average of 2 per cent.

The company is now forecasting full year profits of over £11¼m. but City analysts are already thinking in terms of £12½m. But there are imponderables that could affect the final quarter, though the main areas of doubt will have more impact on 1978-79 financial year.

The withdrawal of Distillers' Red Label brand from the U.K. meant that around 8 per cent. of the market was going begging. Moreover price increases on Distillers' other brands, VAT 69 and Black and White, opened up a pricing gap between those and Bell's scotch.

Bell confirmed this week that it had put forward a proposal to the Price Commission for a 90p a case price increase, but fairly plausible rumours suggest that a £2 a case increase had been hoped for—Teachers will probably implement a £2 rise next month. So Bell's pricing could fall out of line with its traditional place in the market, which may promote volume gains. However as a 90p a case price rise only means another £¼m. to £½m. on profits for a full year (assuming unchanged volume), a £2 a case price rise (and less of a volume gain) would have been more to the company's liking. That would have maintained its place in the pricing league, boosted profits and still left it in a position to battle it out for extra volume.

Hepworth/J-R Tiles

Hepworth Ceramic's invitation to Johnson-Richards Tiles to participate in merger talks has clearly attracted Johnson-Richards' major shareholders, if not its Board. A group, headed by London Brick plus Johnson family interests, has said to merchant bankers S. G. Warburg (Johnson-Richards' financial advisers) in formal City language—but in no uncertain terms—that the Hepworth Ceramic approach should not be dismissed out of hand.

Prior to the approach, the Johnson-Richards' share price had been at the 84p level: afterwards, the price shot to 115p and has since settled at 113p.

London Brick and its partners, in what must be considered a highly unusual move, is actually putting its own valuation on Johnson-Richards and is saying that anything over 125p a share should be seriously considered.

The next step is up to the Johnson-Richards' Board, though clearly London Brick and partners are expecting outright opposition. What the move represents is a warning that if Johnson-Richards' directors are opposing the bid they should not stand in the way of independent shareholders, who may want to accept, and that if it is rejected there are valid reasons for doing so. All of which adds something of a new dimension to the role of major shareholder.

THE TOP PERFORMING SECTORS IN FOUR WEEKS FROM FEB. 16

	% Change
Insurance Brokers	+10.4
Tobaccos	+ 9.7
Breweries	+ 4.9
Packaging and Paper	+ 4.8
Insurance (Composite)	+ 4.2
Insurance (Life)	+ 3.4
All-Share Index	+ 1.2
THE WORST PERFORMERS	
Household Goods	− 1.6
Merchant Banks	− 1.8
Textiles	− 2.1
Newspapers, Publishing	− 2.2
Shipping	− 3.4
Contracting, Construction	− 3.5

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1977/8 High	1977/8 Low	
Ind. Ord. Index	457.2	− 1.8	549.2	357.6	Overshadowed by Gilt-edged
F.T. Gold Mines Index	149.6	− 8.2	174.5	95.1	Lower bullion price
Treasury 12% 1983	£109 1/16	+ 11/16	£114¼	£95½	Gilts active and taps operative
Booker McConnell	223	+17	239	124	Awaiting Monday's results
Bracken	86	+ 7	97	55	Increased interim dividend
Cement-Roadstone	132	+11	132	54	Good annual results
Cie. Bancaire	£51	+15½	£51	£28	Currency/home mkt. influences
Crescent Japan	141	+14	141	101	Japanese economic measures
Johnson-Richards (H. & R.)	113	+29	115	36	Approach from Hepworth Ceramic
Manchester Garages	30	+ 6	30	14½	Good preliminary figures
More O'Ferrall	95	+13	95	25	Stake building speculation
News International	260	+24	278	117	Revived demand/stock shortage
Reed International	110	−10	233	100	Failure to sell S.A. interests
Rolls-Royce Motors	81	+12½	79	54	Better-than-expected results
Sale Tilney	210	+17	230	86	Ahead of Monday's results
Sime Darby	126	+17	126	88	Int. figures and scrip issue
Smurfit (Jefferson)	189	+23	210	79½	Irish demand on profit hopes
Stewart Plastics	135	+25	151	74	Persistent speculative demand
Western Mining	102	+ 8	164	84	Oil exploration hopes
Wolseley-Hughes	192	+14	200	93	Impressive mid-term results

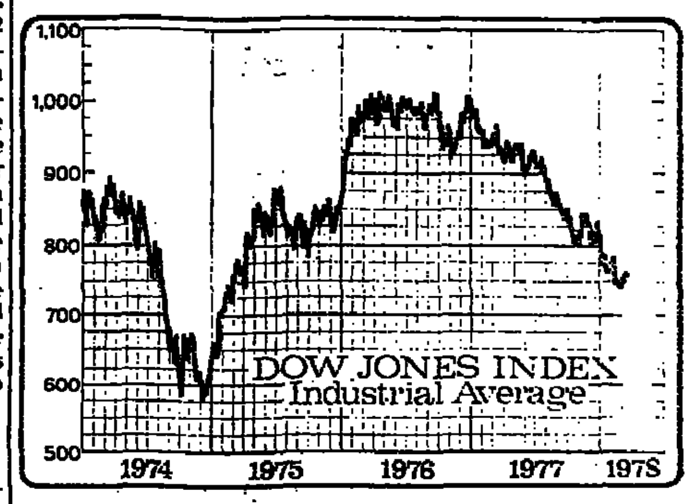
U.K. INDICES

Average week to	March 17	March 10	March 3
FINANCIAL TIMES			
Govt. Secs.	75.80	75.25	74.41
Fixed interest	78.28	77.52	77.42
Indust. Ord.	457.9	448.6	439.7
Gold Mines	158.8	163.6	161.2
Dealings mkd.	5,308	4,679	4,797
FT ACTUARIES			
Capital Gds.	199.65	194.05	190.50
Consumer (Durable)	182.69	177.89	175.22
Cons. (Non-Durable)	191.14	185.67	180.75
Ind. Group	196.72	191.28	187.29
500-Share	216.82	210.97	206.91
Financial Gu.	165.35	160.35	155.30
All-Share	201.75	196.26	192.30
Red. Debs.	60.98	60.54	60.73

Cheap capital

BY JOHN WYLES

NEW YORK, March 17.



ON SEVERAL OCCASIONS this column has been sceptical as to the muscularity of the so-called support areas divined by technical analysts of the Dow Jones Industrial Average. Only three weeks ago it seemed that the weight of gloomy economic news and of general depression on Wall Street would be far too much for the 740-760 support areas marked on analysts charts.

On several occasions this month vindication seemed close at hand as the average hovered around 740, dipped below, but always managed to close above.

NEW YORK

Over the past couple of weeks, the New York Stock Exchange has successfully maintained a stiff upper lip, in the face of the Dollar's feebleness in the foreign exchange markets, and the miners' obduracy at home. Last Friday, in fact, it turned in the broadest rally of 1978—when 1,100 issues showed price gains. For the moment, this support area has at least been worthy of the name.

So where does the market go from here? With the passing of winter is it about to climb out of it bear's clothing, take a dose of spring cheer and remedy a situation where the 30 industrials are selling at a discount to book value of about 11 per cent. and a p/e of 7.2. The short answer is possibly but any substantial recovery may well be short lived unless there is an emergence of much clearer signs than currently exist of a growth recession or something worse. Technically, some correction may also be needed to the two-tier market which has been evident for nearly a year. During this time secondary stocks on the NYSE and in other markets have resolutely resisted the pale and sickly hue taken on by traditional market leaders.

Lest anyone need reminding the industrials dropped 17.3 per cent. in 1977, the Standard and Poor's 500 Index 11.5 per cent. while the American Stock Exchange Index, The Value Line Composite and the over the counter NASDAQ composite all scored gains. This advance by secondary stocks appeared to falter in the first two months of the year but the significant decline predicted by analysts has so far failed to emerge.

Thus there is an extremely solid base from which the market could be launched into some sort of recovery. There is, moreover, an abundance of value to be obtained by a serious investor. Since 1975, Kidder, Peabody and Co. have been compiling monthly lists of the 50 highest price earnings multiples on the New York Stock Exchange. In early 1975, a stock earned a place in the top 50 providing it had a multiple of 42 or 43 times earnings while the top rankers were near the stratospheric multiple of nearly 100.

At the end of February, the top stocks on Kidder Peabody's table had multiples of 16 while the lowest qualified at 11. In the first group were Emery Air Freight, International Flavors and Fragrances, Johnson and Johnson, National Starch and Chemical and Smithkline, Pepsico and American Hospital Supply were the two which qualified with a p/e of 11.

The figures speak for themselves, and it is barely conceivable to most analysts that American capitalism can continue to be sold so cheaply.

	Close	Change
Monday	759.96	+1.55
Tuesday	762.56	+2.60
Wednesday	758.58	−3.98
Thursday	762.82	−4.24
Friday	768.71	−5.89

Looking for tomorrow

MINING
KENNETH MARSTON
MINING EDITOR

DEALING IN tomorrow is a speciality of the mining industry which has to cope with such problems as making a decision to embark on a hugely costly mining development years before the product can be expected to reach the marketing stage. This is what prospecting is all about and it is partly why mining is strictly for the optimists.

A new version of "taking the long view" has cropped up this week with the news that the San Francisco-based Geosat Committee is aiming to achieve the wider use of space satellites for mineral prospecting. It wants to persuade the U.S. National Aeronautics and Space Administration (NASA) to incorporate geological sensing systems in its satellites.

While economic and political factors have virtually halted new mining development and greatly slowed down exploration, the hope is that space-directed encounters of the mineral kind will speed up the discovery of new earthly mineral resources. Certainly, any move in this direction is to be welcomed if the threat of a future shortage of vital minerals is to be avoided.

Over the next few days Dr. Frederick Henderson, president of the U.S. organisation which is financed by 100 mining and oil groups mainly in America, is to hold discussions with the major U.K. groups such as **Consolidated Gold Fields, Rio Tinto-Zinc, Selection Trust,** and **British Petroleum.**

Coming down to earth, a great deal of optimism about future prospects for nickel and copper in general and the disastrous Botswana Selebi-Pikwe mine in particular has been displayed in the restructuring proposals for **Botswana RST** (Botrest). The latter owns 85 per cent. of the mining operation and its major shareholders are the U.S. Amax and South African Anglo American groups.

The Botswana Government owns the remaining 15 per cent. of the heavily indebted operation which has been bedevilled from its start by production problems and which is now hit by depressed metal prices. Interest payments cannot be met and at December 31 Botrest had a loan burden of Pula 125m. (£79m.) on which interest of P36m. was outstanding.

Further substantial losses are anticipated this year and the outlook is described as "sombre." But Amax and Anglo are to cancel R75m. of the operations' debts to them and have arranged for further funds to be pumped in. Whether this will prove to be a triumph of hope over experience remains to be seen, but it underlines what is meant by "risk capital."

Amax has had its share of problems with 1977 earnings falling to $68.9m. (£36.3m.) from $150m. in 1976. But there is still a healthy demand for molybdenum, the group's main product which is primarily used as an alloying agent for strengthening and hardening steel.

A major new moly mine looks to be in prospect for Amax near Crested Butte, Colorado. It is expected to take more than a year before recommendations can be made regarding a possible development of this Mt. Emmons project, but latest drilling has further upgraded the estimated size of the deposit to 165m. tonnes grading slightly more than 0.4 per cent. molybdenum disulphide using a cut-off grade of 0.2 per cent.

News from the **Rio Tinto-Zinc** camp this week concerns the trend-bucking efforts of its **Bougainville** copper-gold mine in Papua New Guinea and the big Australian **Hamersley** iron ore operation.

Despite the heavy world oversupply of copper Bougainville is having no problems in selling its low-cost production and has announced a contract worth $30m. (£15.7m.) to supply China with copper concentrates over the next three years. It is also worth bearing in mind that the mine is a major world producer of gold.

The recession in the world steel industry is having an inevitable adverse effect on the suppliers of iron ore and the Japanese steel mills have already reduced their ore purchases. But Hamersley is seeking increased prices in the contracts now being negotiated with the Japanese.

Whether this ploy will succeed remains to be seen, but the Japanese like to keep their iron ore supply sources diversified and, in the long run, continuity of supply can be more important than prices.

In another sense, diversification is paying off for the big Afrikaner mining and industrial group, **General Mining,** which controls **Union Corporation.** Earnings for 1977 have risen to R43.3m. (£26.3m.) from R34.5m. in 1976 and this year's prospects are reasonable thanks to the important gold, platinum, uranium and coal interests.

Gold and gold shares, however, continue to keep the share market guessing. Despite its daily fluctuations the bullion price is providing good profits for the producers, although the remorseless rise in their costs is giving concern for the future. But the South African gold share market seems to be standing on a descending escalator: bullish news such as a rise in the gold price has much less effect on share prices than adverse news.

Meanwhile, **Harmony** has declared a better than expected final of 30 cents (18p) which makes a total of 55 cents for the current year to June 30 against 25 cents for 1976-77. There should also be some good payments in the interims to be announced shortly by the Anglo American group's OFS producers, **Free State Geduld, President Brand, President Steyn, Western Holdings** and **Welkom.**

In the annual reports from the South African gold mines this week, that of the top-grade **East Driefontein** forecasts milling of about 2.4m. tonnes this year compared with 2.1m. tonnes in 1977 and an "at least maintained" dividend. Now past the mining stage the elderly Vlakfontein intends to make a capital repayment of 10 cents.

The even older **Durban Deep** and **East Rand Proprietary** mines—they started production in 1898 and 1908, respectively—battle on with rising costs. Both have applied for an extension of State loan facilities while clinging to life pending a further substantial rise in the gold price. Neither hold out much hope of dividends in the foreseeable future.

TIN OUTPUTS COMPARED

	Feb., 1978 tonnes	Jan., 1978 tonnes	Total to date (months) tonnes		Same period previous year tonnes
Amal. of Nigeria (tin)	181	132	1,827	(11)	2,312
Amal. of Nigeria (columbite)	17	10	193	(11)	153
Aokam	119	116	1,062	(8)	1,317
Ayer Hitam	161	150	1,133	(8)	3,454
Berjuntai	393	425	4,174	(10)	3,514
Bisichi Jantar (tin)	¶	¶	330½	(10)	346
Bisichi Jantar (columbite)	¶	¶	335½	(10)	272½
CRM Sri Trimah	¶	¶	591½	(5)	405
Ex Lands Nigeria	25	27	52	(2)	56
Geevor‡	88	94	969	(11)	857
Gold and Base (tin)	¶	24	24	(1)	27
Gold and Base (columbite)	¶	Nil	Nil	(1)	1
Gopeng	139	20½	694½	(5)	812
Idris	14½	20½	35	(2)	56
Kamunting	37	43	450	(11)	474
Kent (FMS)	¶	¶	102½	(11)	434½
Killinghall	68	99½	296½	(5)	339½
Kinta Kellas	35½	42½	337½	(8)	474½
Kuala Kampar	21	18	305	(11)	260
Lower Perak	28	26	265	(10)	199
Malayan	238	251	1,736	(8)	2,211
Pahang	137	¶	772	(5)	853
Pengkalen	3½	9½	45	(5)	77½
Petaling	127	124½	429	(4)	341
Rahman	80	94	564½	(8)	409
St. Piran—Far East	20	20	197	(11)	256
St. Piran—U.K. (South Crofty)	171	206	2,010	(11)	1,982
St. Piran—Thailand	88	93	994	(11)	1,015
Southern Kinta	152	165	1,575	(11)	1,368
Southern Malayan	164	163	1,373	(8)	1,494
Sungei Besi	133	171	1,748	(11)	1,339
Tanjong	20	11½	31½	(2)	47½
Tongkah Harbour	23	30	311	(8)	367
Tronoh	187	211	398	(2)	359
Utd. Tin of Nigeria (tin)	¶	¶	12	(9)	29
Wheal Jane†	59	52½	537½	(8)	576

† Tin metal content. ‡ Figures include low-grade material. ¶ Not yet available. Outputs are shown in metric tonnes of tin concentrates.

FINANCE AND THE FAMILY

An improper investment

BY OUR LEGAL STAFF

In order to assist purchasers of small houses who may have difficulty in obtaining mortgages, the family trust which has some small houses proposes that purchasers should pay a deposit of, say, 10 per cent., pay interest on the balance of the purchase price at current building society rates, and pay a further sum in respect of principal over, say, 10 years. The trust would hold the deeds. Do you consider such a scheme possible? If so, when would the trust become liable to capital gains tax?

As we do not know the provisions in the trust instrument relating to investment of the trust property we can only offer tentative advice. A scheme such as you outline would very likely constitute a breach of trust by the trustees, as a deferred contract is probably not a proper investment. Moreover the gradual payment of the purchase price may present difficult fiscal problems (that is in respect of Capital Gains Tax—the revenue would undoubtedly wish to hold the trust liable—possibly on a series of occasions). A prudent purchaser's solicitor is likely to advise against purchasing on such terms. The simpler course would appear to be to grant mortgages to the purchasers from the Trust Fund—if the trust investment powers permit this.

Retirement relief

My wife, who is 62, has recently closed her business of demonstration promotions and market research. Just before closure, an offer was made for the goodwill, and this was sold for £5,000, but the company, as such, was not taken over. Since the retirement age for women is 60, would my wife qualify for age relief for capital gains tax? Would such tax be related to the £5,000 received for goodwill? Since corporation tax has been paid on some of the working capital left in the business, can it be assumed that this, together with directors' loan monies, can be withdrawn without further taxation?

The so-called retirement relief from capital gains tax does not reflect the sexual discrimination of the Social Security Acts: the qualifying age for full relief (under section 34 of the Finance Act 1965, as extended by paragraph 2 of schedule 10 to the Finance Act 1966) is 65 for both sexes, with graduated relief for people over 60. If your wife is exactly 62, she should qualify for exemption from capital gains tax on the first £8,000 of the chargeable gains arising on the liquidation distribution (or distributions) made in respect of her shareholding — assuming that the company is put into liquidation and finally wound up within two years of the day on which it ceased to trade.

The company itself is not entitled to retirement relief, so the sale of its goodwill will produce a corporation tax liability of up to £1,500. Your wife should have a talk with the company's accountants, with a view to the appointment of a liquidator, for you clearly have a lot to learn about the notorious double charge on the capital gains of close companies.

A widow's life interest

About 15 years ago, my mother-in-law became life tenant of 3 properties, she and I being executors and trustees of her husband's will. The properties remain in our names as executors. Meantime, two of her sons occupy two properties and we should now like to transfer them formally so that either son could sell if he wished and buy another. Do you advise this? Would capital transfer tax be involved?

We think that you cannot formally vest the legal title in the sons. The present arrangement should be continued during the life of the widow, and only then can the legal title be vested in the sons, by assent. If a property is required to be sold it should be sold by the executors, and the proceeds of sale will then have to be held on the trusts of the will: but the widow may release her life interest in the proceeds of sale leaving them available for distribution to the remaindermen. Capital transfer tax will not be payable in respect of the death of the testator, but tax will be chargeable on the death of the widow, as being a person with an interest in possession under a settlement. It would be wise to consider terminating the settlement by agreement and sharing the value of the settled fund on an actuarial basis if the value is sufficient to make the resulting tax saving worth while. You would need to consult an accountant or solicitor as to this.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

A solicitor and papers

Being dissatisfied with the conduct of my solicitor I decided to take my custom elsewhere, but he has claimed a lien on all my documents until I pay an account, which I do not owe him. As I need the papers urgently, I am reluctant to go to the Law Society. Is there any other way you could advise me as to how I might obtain the relevant documents?

The solicitor is entitled to a lien for the payment of his proper costs. You can only seek a taxation of his bill or pay it if you want the papers. Alternatively you can instruct new solicitors who can seek to obtain the release of your papers to them on their undertaking to hold the papers to the first solicitors' order.

Tracing land ownership

Could you tell me if there is any source from which I can demand information as to the true ownership of a piece of land adjacent to my garden?

You may be able to ascertain who the true owner of the land is by inquiring of the local authority or inspecting the rating lists. There is no means in law by which the owner of land can be traced as of right.

American wife and CGT

My wife, who is a U.S. citizen has a dividend income from U.S. investments exempt from U.K. tax under the present tax treaty. She has to file a U.S. tax return, which so far has not resulted in any payment of tax, but this year it appears she will have enough capital gains to incur tax in both the U.K. and the U.S. Is there not some agreement so that she does not have to pay capital gains tax in both countries? I am domiciled in England, but my wife considers herself to be domiciled in the U.S.

You have not given us many facts to go on: presumably you did not see the reply published in the Finance and the Family column on November 5, under the heading "American wife's dividends," which indicated some fact that we would need to know in order to give you a helpful reply.

We take it that you mean that you married before 1974, so that your wife is domiciled in England and Wales under English law (although she is domiciled in one of the States of the U.S. under U.S. law). That being so, your wife's sales of U.S. shares will attract tax in both countries, but of course the rules are different and so there may be no simple relationship bewteen the gains chargeable to U.S. and to U.K. tax. The U.S. tax attributable to each gain may be deducted either (a) from the U.K. tax attributable to the corresponding gain or (b) from the corresponding gain itself, whichever is more beneficial in each case—there is no simple rule of thumb. The U.S. tax should be converted into sterling at the rate of exchange for the day on which it falls due for payment, for the purpose of calculating relief from U.K. capital gains tax.

Neither article XIV of the 1945 U.S./U.K. double taxation convention (as amended in 1966) nor article 13 of the 1975 convention (which is not yet in force) has any significant effect on the capital gains tax position, but article 4(4) of the 1975 convention (as amended by the 1977 (second) protocol) will retrospectively change the basis of assessment in the U.K. from the arising basis to the remittance basis, if it is eventually brought into effect in its present form. Possibly your inspector will agree to accept capital gains tax computations on the remittance basis, in anticipation of approval of the 1975 convention (and its protocols) by the Senate Foreign Relations Committee, but there is no authority for him to do so.

On the other hand, if you married after the end of 1973 (or if your wife's domicile of origin has revived since the Domicile and Matrimonial Proceedings Act 1973 came into effect, on New Year's Day 1974) the position is quite different, and in particular you should be submitting your annual U.K. tax returns on the special forms 11K designed for husbands whose wives are domiciled abroad (among others).

In a public reference library, you will find copies of the 1945 and 1975 U.S./U.K. double taxation conventions (as amended) in, for example, volume F of Simon's Taxes (ISBN 0 406 06866 6).

Broken chain of executorship

If as an executor I die before completing the executorship I understand the liability to complete the administration will pass to my executor, my wife. Is there any way of avoiding this liability, for instance, if I made no will and therefore died intestate, would the administrator of my estate escape liability? If so, and my assets were in the joint names of myself and my wife all would pass to my wife if living, and there would be no need to app'nt an administrator unless the rules of intestacy override this and a proportion of the assets would have to be held on trust for my daughters?

As a chain of executorship is broken on intestacy you can achieve the object which you mention by not appointing an executor of your own will. (You could appoint someone other than your wife as executor if that person would not object to the burden). Provided the joint ownership is genuine (so that, for example, any joint bank account is operated by both joint holders) you could also avoid the need for Letters of Administration to your estate.

Travellers within the Common Market

WITH THE first holiday weekend of the year almost upon us there must be quite a number of people who will be leaving home for a few days away at Easter. So perhaps it is timely to remind anyone travelling to the Continent that there is available, within the borders of the Common Market Countries, special insurance cover. This costs nothing in premium to obtain and only a relatively small amount of personal time and trouble, in walking round the local DHSS office and filling in the unavoidable application form.

This insurance is the EEC medical expenses scheme, which to a considerable extent, but not completely, parallels our own National Health Service here in Britain. Unfortunately the EEC scheme does not operate for the benefit of self-employed persons or their dependants, who are thus forced to rely entirely on the private purchase of holiday travel cover. But, for the rest — employed persons, their dependants, pensioners, widows in receipt of benefit under the state scheme, the insurance is available on simple application.

Young children, of course, count as dependants, but for teenagers there are two important age limits to bear in mind —16 and 19. The teenager of 16 or more who is out at work, is not counted a dependant and so must make his or her own application: but the teenager or young adult up to the age of 19 who is in full-time education or apprenticeship counts as a dependant and can be covered under the parent's application.

It is not possible to obtain details of this scheme from High Street Travel Agents—there is no commission in it for them and I have yet to find one that even carries a supply of the Government leaflet—SA28: this, however, is readily obtainable from any local DHSS Office and will provide more information than I am able to set down here.

For those who are eligible to participate, registration is by means of the official application form and while in theory it is possible to complete the form on the spot and wait while the necessary certificate is made out, anyone making an application for the first time may be short on his or her own employment details, which may well have to be checked from employers: so probably the best course is to pick up the SA28 leaflet together with the application form, fill it up at one's place of work, and then take it back to the DHSS. Apart from employment details, the applicant must list out his dependants, state the duration of his intended trip abroad, and identify the EEC countries to be visited.

No health questions are asked on the application form and the insurance rules of materiality and non-disclosure are not applicable; acceptance of the application is a formality and there are no underwriting restrictions for those who are of less than average health. The EEC scheme has, therefore, considerable attraction for any intending traveller who would find it either expensive or perhaps impossible to buy travel cover from the private insurance market.

INSURANCE

JOHN PHILIP

The DHSS provides the traveller with his EEC Certificate of Entitlement—which is known shortly as form E111. This certificate is printed in a form which is standard throughout the Common Market, though each issuing country prints it in its own language. The British certificate is accepted as entitling the British traveller to medical treatment at least on similar terms to that provided by the particular country for its own nationals: such medical treatment more usually will be urgently and necessarily required because of injury or sudden unexpected illness, but, equally, may be needed by the less averagely healthy traveller who suffers a down turn in his already shaky health.

Here in Britain medical care from doctors, hospital care, surgery and so on are still "free" —though of course paid for out of taxation—but most people have to make a contribution to the cost of dentistry and to pay prescription charges at the chemist. The Briton abroad does not get 100 per cent. coverage exactly parallel to his home entitlement, for each of the Continental countries has its own differing rules and normally the British traveller does not do better than the locals. For example, taking our nearest neighbour, France, the British visitor will get 80 per cent. of his hospital bills met, and 75 per cent. of his prescription charges paid, but only 70 per cent. of his doctors' fees—because these are the percentages that French citizens themselves can obtain.

But with nine EEC countries, there must be odd ones out, so to speak, and while the Dutch employ income and means tests for their own countrymen to determine the amount of State benefit they can get, the British visitor has no problem in getting full protection without being subjected to any test.

In some countries the production of the E111 is an absolute essential: for example in France the rules are that the certificate holder must first show his certificate to the appropriate authority, before seeking out the doctor or hospital (this is all explained in the DHSS leaflet). On the other hand the British visitor to Denmark needs to produce only his British passport: moreover because passports are not necessary for Britons going to the Irish Republic, in Ireland all that is required is evidence of British nationality.

Because there are eight different EEC countries that the British traveller can visit it is best to be clear at the outset what rules apply in the countries the traveller is intending to visit: ten minutes' reading even at the last minute on the cross-channel ferry or in the aeroplane, is time well spent.

Placing a value on worthless bonds

THOSE OLD, yellowing papers tucked away beneath grandfather's bed, issued in a by-gone age and redolent of Queen Victoria, gas lamps, steam trains and sepia prints, may not be as worthless as might at first appear.

Collecting is by no means a 20th Century phenomenum, but *the scope for would-be collectors* has widened considerably over the past two decades to include such items as picture postcards, beer cans, and even barbed wire. In many cases what began simply as a hobby has turned into really big business, and put the most sought-after items beyond the pocket of the average man.

One of the pieces of history to have caught the eye of collectors recently is defunct bonds. At face value they are now worthless, with the companies or states that issued them remembered only in the pages of the history books.

Collecting these bonds is a hobby which is in its infancy in the U.K. and this makes it a potentially exciting field, as prices for these bonds generally fall within the reach of the average man, at least for the present.

Last year a stock-jobber and stock broking clerk in the City joined forces to set up a small mail order company, Non Valeurs Ltd., to deal in these bonds. With almost a year of business under their belts Messrs. John Jenkins and Barry Bluck estimate that turnover generated during the first 12 months will be around £15,000.

Profits, they say, are harder to estimate and one of the problems the partners' accountants are currently facing is to discover whether the business is eligible for stock relief for tax purposes—and just how their stocks, bundles of old papers, should be valued.

John Jenkins says: "Barry and I began collecting bonds as a hobby, after we saw a couple of old bonds which had been put in picture frames—they made really handsome gifts. We became interested and the whole thing just snowballed from there.

"Then somebody offered us a job lot of about 600 pieces. It was too good an offer to miss, but the price was expensive for just a hobby so we kept a few of the pieces and sold the rest. And from that came the idea for the business."

Messrs. Jenkins and Bluck formed their company last June, and the first pieces they bought, for just £10, were an old atlas and two U.S. Confederate bonds. Pages from the atlas were removed, framed and sold and the profits ploughed back into the business.

"*All the profits are put back* into the business," says John Jenkins. "It is a limited company and we sell through mail order advertising in trade and collectors' journals. We sell mainly to collectors and do not tend to get involved in framing the bonds.

BONDS

ANDREW TAYLOR

"Naturally, because of our links with the Stock Exchange, we do not deal with any still negotiable bonds, and also do not deal in Chinese or Russian bonds, although there is quite a thriving market for these."

Most of their stock is priced between 75p and £5. The highest priced item, at £200, is an 1864, Act of June 13 U.S. Confederate bond; of which Mr. Jenkins says that only 120 were ever issued. Some of the more attractive bonds are railway stock and the company also has an 1857/62 American Express Co. bond, hand-signed by the legendary Mr. Wells and Mr. Fargo.

"This bond is priced at £100. like collectors' items in other fields, price naturally varies, depending upon scarcity—and who held or signed the bond. Serial numbers can also be important," says Mr. Jenkins.

"One customer in the U.S. collected anything and every*thing to do with bees and* asked us to supply any bonds which related to this hobby. We found a bond which had an engraving of a bee-hive."

As well as buying and selling bonds in its own right, the company also acts as dealers for banks and the like, who are left with non-negotiable bonds on their hands and find this one market for an otherwise useless piece of paper. It generally charges a 20 per cent. commission for acting as agents.

"The banks, and people like solicitors, must have a lot more old bonds lying around. The problem is that often this material is being shredded as useless and the banks in this country are very reluctant to part with this property unless they are sure of ownership and convinced that the terms are in the best interest of both bank and clients.

"It is right that these principles should be observed but it seems a shame that much of this material has either been lost or is being prevented from coming onto the market.

"It is much easier in the U.S., where much of our material comes from and where the banks and institutions have more relaxed attitudes to this kind of thing. Collecting bonds is more advanced in the U.S. and there is also strong demand in Germany."

One of the attractions of the old bonds are the engravings they contain illustrating the business of the company or state issuing the stock. Railway companies are particularly popular. The engravings can be very attractive.

The company deals with no bonds issued after 1920 and says that the best pieces are those issued before 1900. Prices have to date risen steadily but not dramatically.

By the way—people really do collect barbed wire, and they can pay quite handsomely for the pleasure. Collectors' organisations in the U.K. say that the hobby started in the U.S. in the 1960's and individuals can pay several hundred dollars to own an 18 inch strip of a particular wire. There are apparently almost 2,000 different kinds to choose from.

Storm cones out for life bonuses

' ERIC SHORT

HEN THE top executive of leading life company which a good bonus record warns it bonus rates may have to be then the long-term savings lustry needs to take some tice. Actuaries have privately en talking of this possibility the past 12 months, but Mr. vid Donald of Standard Life the first to stand up in public d make the warning public. was followed the next day by . Alistair Robertson, the chief ecutive of Scottish Equitable. The warning should not be ated as a "doomwatch" uation. It is a natural conquence of lower inflation and ling interest rates. Standard's rrent with-profit premium les need a yield of 10½ per nt. gross (6½ per cent. net for life company) to support the rrent record bonus levels— d a similar situation is likely apply to other life companies. ng term gilt redemption elds are at present running at ½ per cent.

Actuaries have three alternatives should interest rates fall low this limit, and all of them are clearly spelt out by Mr. onald. He rejected the first urse: supporting bonus levels it of the ample reserves available in the hope that interest tes would return to previous gh levels.

The two feasible alternatives, r actuaries, were in Mr. onald's eyes, to recalculate the emium rates for new business support the level of bonus, hich would mean substantial ses in rates; or to keep rates ore or less at the same level, rt cut bonus rates on all withofit business. Mr. Donald voured the former course of tion. It would certainly be eferable to the field staff of assurance brokers, who make their sales pitch on the absolute level of bonuses.

But Mr. Robertson felt that actuaries had no choice but to cut bonuses if they wished to maintain fairness between the various generations of investors.

The marketing personnel are in fact victims of their own market approach. They have concentrated solely on showing the absolute return to policyholders at maturity, and have made no attempt to relate the actual yield to inflation over the same period. So a higher bonus rate shows a larger money profit, even though the investment return might well be negative.

If the threat of bonus cuts forces life salesmen to be more realistic in explaining investment returns to prospective policyholders, then so much the better.

In these circumstances, I would question very seriously the practice of showing estimated maturity values on current bonus rates. Up to now this practice has been acceptable only because bonus rates have risen or remained steady. But with the prospect of a cut, then surely at least two rates should be used so that the investor has some idea of the expected return. And companies should show the yields. I am well aware that the small print at the bottom of the quotation form states that future bonus rates are not guaranteed, but how many investors have this point explained to them?

The other feature of quotations is the use of terminal bonuses based on current rates, for maturity several years hence. Since terminal bonuses are intended to fluctuate, a projection is meaningless.

Opening up the options markets

BY ADRIENNE GLEESON

WE HAVE now reached the stage at which barely a day goes by without the coming introduction of traded options hitting the headlines: and since the date is still scheduled for sometime in April, this seems an appropriate moment to start considering the implications of the move.

An option—a call option, that is—provides in essence the right to buy a given stock at a given price, within a given period of time. That right is worth something: and what it is worth is called the premium. The size of the premium will vary according to the probability that shares in that particular company will hit the price at which the right to buy may be exercised (known as the exercise price, or the striking price): if it's highly unlikely, the premium will be low: if it's really quite probable, then the premium will be high. He (or she) who would buy a call option will, at the present, make money once the price of the stock has risen sufficiently far above the given price, to compensate not only for the outlay on the premium, but for any other expenses incurred. Since the premium is generally relatively small, if things go well an option is an excellent way of making a very large return on a relatively small outlay.

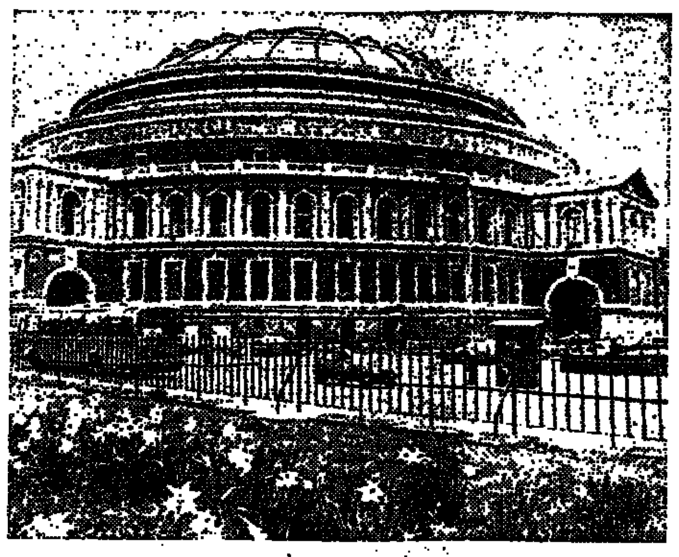
So much for basics. Now, the snags to the present system are as follows: in the first place it does not provide the "writer" of the options — the chap who agrees to sell shares at a given price in return for the premium —with a particularly flexible deal; and in the second, it has been relatively inflexible even in respect of the man who would buy the option. Both of them have been committed to sitting out the given period: the first to discover what sort of unquantifiable loss he has made for a small return, and the second to see whether he has made a big return or lost his money completely.

In introducing traded options the idea has been that such blockages would be eliminated, by—more or less literally—allowing both sides to keep their options open. In place of the present rigid arrangement under which anyone who bought a call option and later regretted it must live with his withering hopes and his withering assets until the date at which the option must be exercised was past, it will enable him to offload the problem onto another optimist. In place of the present rigid arrangement under which anyone who has written an option and watched in horror as the shares he had considered duds swooped upwards to the striking price, must sacrifice the shares that he has already or chase the market up still further for those which he has not, it will enable him to close off his position by buying options for himself to match the liability.

In the interests of opening out the range of possibilities which options offer it has, however, been necessary to add some complexities to what is in essence an extremely simple bargain. In particular, it has been necessary to introduce an official clearing house—to hold the ring—and to establish a much more uniform and less haphazard market. We shall examine the technicalities more fully next week. For the moment, though, is the new system to be welcomed?

Looked at in the light of pure reason, buying options is a mug's game: the man who wins is relatively rare, and the man who wins consistently is virtually unknown. Man is not, however, governed by pure reason alone: if he was, there would be no such thing as premium bonds. A market in traded options won't do anything for the country: but it should provide individual investors with some fun.

Albert's memorial



NEXT TIME you go to the Royal Albert Hall, on a spur-of-the moment decision, and having queued for the stalls and found yourself relegated to the balcony, look down to see a scattering of plush and empty seats below—do not curse the management. It is not a sign that they are holding seats in reserve, lest Jackie Onassis or the Shah of Iran should arrive with a burning desire to hear the masterpiece of the evening. It is not even a sign of malfunction on the part of babysitters or British Rail. It is a consequence of capitalism in action.

Those seats will be numbered, in all probability, amongst the 1,277, in boxes and stalls, which belong to seatholders of the Royal Albert Hall. As seatholders they may attend events at the hall, free of charge, on all but 87 days of the year. They may also attend the annual general meeting; and from their numbers will be elected 18 of the 23 members of the council which establishes policy for the hall and oversees its financial affairs, and the President.

For such pleasures and privileges, the would-be seatholder might have to pay quite dearly. He will only be able to buy if other seatholders want to sell; and then only if his name happens to be somewhere near the top of the "very long" list of prospective buyers which the hall maintains. The price at the moment—and supply and demand operates, in a modified fashion, so it isn't possible to be too specific—is around £800 for one of a pair of seats in the stalls.

That, though, isn't the end of the expense. In addition seatholders are called upon for an annual contribution—set by the council—to the cost of running and maintaining the hall. At the moment that is £50 a year—having risen from £2 in 1876, when the annual levy was first introduced.

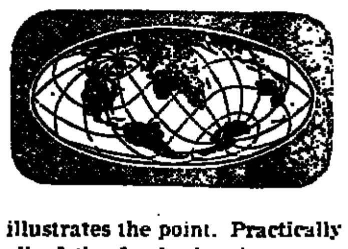
Still, with the Royal Albert Hall staging events on over 300 of the days of the year, in itself that's a small price for the entertainment. Of course no one individual would want to take in the lot, for the choice ranges from covered court tennis to the Royal Choral Society's Messiah, from brass band championships to the Festival of Remembrance. Hence the empty seats. But if you think that the institution was invented with the needs of the company box holder in mind—or, for that matter those of the ticket agency—you are mistaken. It dates from the first attempts to raise the money for the hall, in 1865.

The prospectus issued that year offered seats in perpetuity to those prepared to pay for them in units of £100: thus £200 secured a pair of seats in the stalls, £500 a second tier box, and £1,000 a box in the grand tier. Almost from the start it was plain that the hall would have to be let to provide the money to cover the overheads: and now the lettings provide by far the bulk of its income. But when the hall has a run of years at a deficit—nowadays a fairly rare occurrence, for the council steers well clear of the financial risks of promotion, and the 1971 restoration eliminated the worst of the occasional but urgent demands for cash—it is the seatholders who have to find the extra.

Anyone disinclined for the somewhat remote risks which that implies—or for the potential delay in obtaining a seat—could of course always purchase himself a brief but brilliant moment of glory by hiring the hall instead. It doesn't cost so very much more than a seat in perpetuity: £1,050 at the moment, for anyone looking to stage one of the artistic or scientific events for which it was originally designed; rather more—some £1,500—for light music; and more again for sporting events for which the seating and lighting has to be rearranged, and the staff kept on duty for an indefinite period. Mind you, there's likely to be a bit of a wait for that, as well.

ADRIENNE GLEESON

More offshore



HOWEVER EXOTIC the surroundings within which the affluent expatriate—or, for that matter, any other overseas resident — decides on his investment strategy, in some respects the ground rules are exactly the same as they are at home. If he wants to play safe, he should go for a fund which invests in fixed-interest instruments—like Mercury Eurobond or Worldinvest Income Fund, which we discussed last week. If, on the other hand, the object of the exercise is to make a lot of money — and the prospect of losing some of what he has is not too much of a deterrent — then a fund invested in equities will certainly increase the potential, either way.

In one important respect, however, the overseas investor lives in a different world. He must—he must—take account of currencies as well. In recent years that is a consideration which has been of only limited importance for the British investor, partly because tax and the dollar premium have obliged him to make a beeline for the volatile markets in the hope of capital gain; and partly because the behaviour of practically every other currency has looked well against the ailing pound.

A glance at the table below illustrates the point. Practically all of the funds therein appear to have been absolute duds in terms of asset growth, with the exception of Worldinvest; and Worldinvest hardly provides fair grounds for comparison since, on the one hand, Bank of America International itself agrees that it will be difficult to keep that performance up, and on the other, the asset figure allows for reinvestment of a substantial tranche of income which was distributed. In sterling terms, however, all of those funds with a five-year history to them have done comparatively well; and even on a one-year view, Eurinvest, which is denominated in Luxembourg Francs, has done a great deal better than the nil change recorded would appear to indicate.

A word about the table. It incorporates some of the material about Warburg's funds and Worldinvest which lack of space obliged us to cut out last week; but it has to be said that the left-hand columns give considerably more reliable guidance than those on the right. Consider, for example, the annual charge. The treatment of this levy for management and investment services varies, not merely from group to group, but from trust to trust. The Kleinwort Benson funds show relatively modest charges: but — as a glance at their annual reports will indicate — many of the management expenses are set off against the value of the funds direct, rather than being extracted as a percentage of their value.

Nor can the performance figures be taken as much more than a very general guide. That isn't only because the magnitude of their success or failure is going to vary according to the currency into which you decide to convert, but also because some of them — for example, Worldinvest — offer a respectable running yield, while others —KB's Japan Fund, for instance —offer next to nothing but the prospect of capital growth.

Institution/ fund	Currency	Quoted	Valuation	Minimum purchase on issue	Initial charge %	Annual charge %	Asset 1 year	Growth 5 years
S. G. Warburg								
Mercury Eurobond	$U.S.	—	Weekly	500 shares	1.5	0.2	NA	NA
Gresham Street	$U.S.	Luxmbg.	Monthly	N/A	Nil	0.75	−11.3	NA
Conv. Bond	$U.S.	Luxmbg.	Daily	N/A	Up to 5.5	0.75	−0.05	−9.2
Energy Internat	$U.S.	Luxmbg.	Daily	N/A	1	0.75	3.8	NA
Bank of America International								
Worldinvest Income	$U.S.	—	Weekly	$5,000	1	0.5	15.5**	NA
Kleinwort Benson								
Eurinvest	F. Lux	—	Daily	100 shares	1-3	*	—	−8.2
K.B. Far East	$U.S.	—	Monthly	"	1-5	0.375	5.07	NA
K.B. International	$U.S.	—	Weekly	"	1-5	0.25	−7.37	−16.4
K.B. Japan	$U.S.	Luxmbg.	Weekly	"	1-5	0.5	−0.1	23.7
K.B. U.S. Growth	$U.S.	—	Monthly	"	1-5	0.5	NA	NA
Signet Bermuda	$U.S.	—	Weekly	"	1-2	†	—	−8.3

* Dividend to investment advisors † Varies
** Annualised increase allowing for reinvested income

Crackdown on cheap loans

HERE IS a depressing prospect before those of you who ave cheap or interest free oans from your employers. The benefit you derive therefrom is n all probability about to become taxable. Under the provisions of the Finance Act 1976, s from April 6 such benefit ill be taxable unless: (a) it is loan for purposes such that e interest would qualify for x relief anyway (that is, ainly house purchase); or (b) is worth less than £50 a year.

The size of the benefit you erive from such loans is established by means of calculations hich hinge on the fact that, at e moment, the Treasury eckons that you would be payg 9 per cent. per annum for a ommercial loan. The rate can e changed from time to time. In e first two years of the new egime—that is, the tax year 978-79 and 1979-80—the taxble charge will be halved: so at gives you a chance to phase uch borrowings out.

It's not worth refinancing them, of course: after all, your employer is sparing you interest, even if the interest spared is taxable. Only if the benefit you derive is only marginally over £50 (in which case you will have to pay tax on the lot) might it be worth your while to borrow just enough to bring it below the threshold.

A.M.G.

Gold price correlations

FOLLOWING HIS assertion last month that gold and Wall Street tend to move in opposite directions, Richard Lake, the resident chartist at stockbroker Grieveson Grant, reports some further evidence.

The client who originally stimulated Lake's inquiry has done some research of his own. He has discovered that American shares and gold have moved contrariwise on a daily basis for 82 per cent. of the time since 1972. This conformation from short term movements makes the argument look still more interesting.

But the old belief that the best inverse correlation is between gold and the U.S. dollar dies hard. So what we need now is someone to trace this relationship too on a daily basis since 1972.

J.B.

The rich—a threatened species

THERE CAN be few experiences more exasperating, than to embark upon an academic investigation of length, weight and distinction, only to have its findings pre-empted by those of a Government body appointed in the interval. Professor A. B. Atkinson, upon whose investigation (with Professor A. J. Harrison) of the *Distribution of personal wealth in Britain** this untimely fate has fallen, was bearing up under the cross when he launched the work upon the world last week. Given the resources at its command, he said, the Diamond Commission should have been very much more thorough in its investigations.

It is, nevertheless, differences of size, rather than substance, which the two professors' investigations reveal. They estimate that the wealth of the top 5 per cent. of the population is perhaps 50 per cent. higher than previous Inland Revenue figures had suggested (allowing for tax evasion and avoidance); but that the share of the top 1 per cent. was (allowing for under-recorded smaller scale wealth) roughly as it had been thought to be: about 30 per cent. in 1972, and dropping regularly by some 0.4 per cent. per annum.

But if you think that that suggests that the rich ought to become a protected species, Professor Atkinson would not agree. In fact he thinks the figures could well be deceptive, because the rich hold so large a proportion of their assets—some 50 per cent.—in stocks and shares: and the market is, by historic standards, undervalued.

**Distribution of personal wealth in Britain, by A. B. Atkinson and A. J. Harrison. Cambridge University Press: £10.50.*

PROPERTY

Price surprise

BY JOE RENNISON

SAVILLS have interesting comment this week about the suggested explosion in house prices. Savills, of course, deals only in the upper grades of property and in the upper prices. But as they say, it is not all one great disaster area on the prices front.

Recent articles in the Press, they say, talk about an increase in house prices of up to 20 per cent. in January and February of this year. But what is an average price? One national index in December, 1977 shows £14,701 as an average. Another's for 1977 of second-time buyers shows an average price within the U.K. of £16,730.

Savills, through their network of offices, cover an area south of a line between the West and the Severn Estuary. They collate sales over £30,000 which show 44 sales in January-February 1978 against 32 in 1977 and 20 in 1976. The average was £45,600, £62,062 and £49,350. These figures do not prove a fall in the market because the 1975 and 1976 figures include sales of houses in excess of £100,000 which were held over from the previous year. Also these figures give contracts exchanged on sales agreed in November and December and in some cases before that. This year, the marketing of these expensive houses has been delayed until April/May. However, there has been an increase in the average house in January/February 1978, but Savills would place this at about 5 per cent.

It is important to distinguish between the type of property and then place the increase in perspective.

Both markets are affected by a shortage of houses to sell and keen buyers with funds available. Salary increases and cheap mortgages mean that the average purchaser can afford a further £1,000 in order to purchase his house. His own house will have gone up too. A cut back in mortgage funds will hold back house prices.

What about the expensive houses? The stock market is stagnant and world economic forecasts are full of gloom. Purchasers are buying before placing their own house on the market, thus depleting the supply still further, but if banks restrict their bridging loans, the owners will be forced to sell before buying, so increasing the supply of houses on the market.

Savills advise caution in any prediction of expensive house prices. There are instances of houses which are placed on the market in 1977 at inflated prices and remain on the market, even though prices have been reduced. Savills expect values to level off at the back end of 1978.

New split-level house with uncluttered aspect, at Baredown, Nately Scures, near Basingstoke, Hants. The ½-acre garden backs on a small copse, the unusually designed house has 4 bedrooms, 2 bathrooms, and galleried landing with balcony. £37,750, Pearsons, 27 London Street, Basingstoke.

The Moyle House, Tupwood Lane, Caterham, is a modern house built on the site of a Victorian mansion, some 700 ft. above sea level. There are 4 bedrooms, 2 bathrooms, and a self-contained flat. A price in excess of £70,000 for the house and 7½ acres is being sought by Knight Frank and Rutley, 20 Hanover Square, London W.1.

Home finder

SELLING a house or flat, as everyone knows, is a very trying and costly business. One of the major problems, for agents and private vendors alike, is that of publicity.

There are basically only two options open to the property owner at present. One is to advertise his property directly himself, and the other is to instruct an estate agent. Each of these methods of selling a property has its advantages and its drawbacks.

Falling between these alternatives, a new scheme has now been started which will help *both vendors and purchasers. It could prove valuable to the private vendor, although it does not impinge on the traditional services of an estate agent—indeed it is already supported by a number of leading London estate agents.

The scheme works as follows: the vendor (or, on his instructions, his agent) sends to the London Property Register a full description (up to 200 words) of the property for sale, stating the price sought and his telephone number, together with the Registration fee of £12.50. On the day they are received, the details are typed out and duplicated, a copy is returned to the sender with an acknowledgment, and the details are added to the appropriate part of the Register. They remain on the Register for up to one month from the date of entry.

The Register itself, together with a selection of individual properties, is prominently advertised in a variety of widely-read national publications.

All inquirers seeking a property in a particular area will be sent, by return, free of charge, a copy of the appropriate part of the Register, updated to that day. Additionally, any inquirer who has previously received a free copy of the Register, will have been invited to subscribe, at the rate of 75p per week, for up-to-the-minute supplements, and details of properties submitted will be posted, first class, to all subscribers on the same day as they are received.

The London Property Register is available from R. Webb Property Registers, Ford, Leek, Staffs. Tel 053-88-330.

Rural retreats

THE AGRICULTURAL Department of John D. Wood together with the Guildford Office of Weller Eggar has been instructed to sell The Winterfold Estate, nr. Cranleigh in Surrey.

The estate, which lies about 35 miles from London and 9 miles from Guildford, will be offered for sale by auction in 18 lots on May 17. Created by the Viscount Alverstoke the estate comprises 212 acres in all, about half of which is woodland, with some 83,000 cubic feet of timber, the remainder being permanent pasture. It does however, have a number of unusual features. The 17-bedroomed 19th-century house with later additions in the Queen Anne style (and which will be offered with the benefit of planning consent for division into two dwellings) has a unique series of intercommunicating reception rooms, the views from which extend over the gardens to West Sussex and the South Downs in the distance. A rare August Gern manual/automatic pneumatic organ in need of restoration is incorporated in the construction of the entrance hall. In addition there are to be sold in separate lots eight further dwellings, unlived in for about 15 years, with the exception of the entrance lodge.

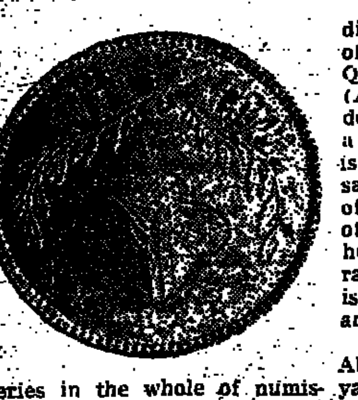
In this sought after part fo Surrey these provide an opportunity for conversion or renovation. Perhaps the best of these is Gardeners Cottage with 3 acres, which lies at the head of a small valley about 600 feet above sea level and with views to the south. This dwelling requires modernisation only, but the oldest property on this estate, Colmans Farmhouse which at one time featured tile hung walls, exposed timber beams and an inglenook fireplace is in an advanced state of dilapidation, and will require a great deal of restoration work. However, on completion of this work it would provide a handsome period farmhouse in a lovely position. It is to be sold with a 3 acre paddock. Further properties suitable for renovation are the Keepers Cottage with about 6 acres, South Lodge with about 1½ acres, and Bothy Cottage with about 5 acres. In addition the Stable Block, built at the same time as Winterfold House has planning consent for conversion to a residence, and is offered with 6¾ acres of woodland.

A smallholding of 6 acres with a pair of cottages in need of repair and modernisation, and a number of fields and woodland blocks varying in size from 1½ acres to 65 acres are also for sale.

From the Arabian hoard

COINS

JAMES MACKAY



THE ARABS in the time of Mohammed had no knowledge of, or use for, coins but within a generation of his death their rapid conquests of Syria from the Byzantines and the former Sassanid empire of Persia had brought them into contact with coinage of a fairly sophisticated type. Their sudden accession of wealth through plunder provided a need for coinage of their own and at first they were content to imitate Byzantine coins, modifying the cross on the reverse to suit Islamic susceptibilities. Under the great Omayyad caliph, Abd al-Malik (685-705 AD) the Arabs conquered North Africa and southern Spain. By the end of the 7th century Abd al-Malik felt that the Arab empire needed a distinctive currency and it was he who established a coinage of gold, silver and copper.

The names of these coins indicate their Byzantine or Roman origins. These were the dinar (denarius), dirhem (drachm) and falus or fils (follis). Even the characteristically thick flans of the Byzantine gold and copper coins were retained, whereas the silver dirhems had the thin fabric of the Sassanid drachmae. A strict interpretation of the teachings of Mohammed regarding image-making meant that no representation of human or animal form could appear on these coins. Instead the Arab mints developed obverse and reverse types which were wholly devoted to inscriptions.

The usual pattern of the earlier Arab coins was a three-line inscription across the middle of a continuous legend round the edge. The coins of Abd al-Malik had as the obverse motif the bismillah or pious formula "There is no God but God; he has no associate," and the edge inscription stated "In the name of God this dinar was struck at — in the year of —." The inscriptions on the reverse contained quotations from the Koran. Thus, from the outset, Arab coins gave the date and place of minting. It should be noted that while medieval English coins had a symbol giving a clue to the mint, almost a thousand years elapsed before dating became a regular feature.

Eventually Arab coins also incorporated the name and title of the ruler and often included useful genealogical data. As the caliphate waned and disintegrated, rival dynasties arose. Their progress and decline is similarly charted in the wealth of inscriptions found on their coins. Every Moslem claimant to power took the first opportunity of issuing his own coins and, as a result, the most obscure and ephemeral of Arab kingdoms are recorded numismatically for posterity. In some cases their very existence might have gone unnoticed but for the rich legacy of their coins.

One of the highlights in Sotheby's spring series of Islamic sales is the auction of Islamic coins, mainly in gold, which takes place on Thursday, April 6. The 296 lots span the entire period of Arab power, from the earliest dinars of Abd al-Malik right down to the gold piastres of Mohammed V, last of the Ottomans in 1918.

The gold dinars minted from Spain and Morocco to the borders of China are one of the most widespread and prolific series in the whole of numismatic history. To the beginner they present a bewildering array, the monotony of whose types is redeemed only by the beauty and elegance of the lettering. The complexities of the Arabic inscriptions may, at first glance, appear daunting but with a little perseverance Arabic, and even the subtleties of Kufic script, are unravelled. The best guide for the beginner is R. J. Plant's *Arabic Coins and How to Read Them* (published by R. A. Seaby and available from major coin dealers).

A smattering of Arabic is the key to a treasure-house of fascinating material. The earliest gold dinars, though dated, seldom mentioned the place of minting. The only exceptions are a handful of dinars bearing the mint names of Ifriqia (Africa, probably Qairuwan) and Al Andalus (Andalusia, presumably Cordoba). A splendid example of a dinar of the Andalusian mint is the highlight of the Sotheby sale with an estimated value of £2,500-£3,000. Many of the other gold coins in this sale, however, are in the £30-£50 range, demonstrating that this is still a relatively neglected and undervalued field.

In the mid-8th century the Abbasids overthrew the Omayyads and struck dinars of a somewhat similar type, but usually bearing the name of the caliph or a local governor. Among the more remarkable coins of this series were those struck by Haroun al-Rashid of Arabian Nights fame. Several coins in the Sotheby sale belong to this reign and include a fine dinar of A.H. 186 bearing the name of Haroun's vizier and boon companion, the ill-fated Barmecide Ja'afar. There are also several double and triple dinars of the later Abbasid caliphs whose extensive gold coinage became the greatest currency of the Middle Ages. King Offa who founded the first real English coinage imitated the dinars of al-Mansur, several of which form lots 28 and 29 of the sale.

PROPERTY

ESTATES AND FARMS: LAND FOR SALE: INVESTMENTS: LONDON AND COUNTRY PROPERTY: OVERSEAS PROPERTY:

هكذا من الأجل

MOTORING

The Chrysler Horizon. It fits in between the Simca 1100 and Chrysler Alpine in size and price and incorporates nearly 50 per cent. of their components.

Looking for prizes

BY STUART MARSHALL

HERE IS more than one way f launching a new car. Some akers rent a race circuit and ıvite the press to thrash their roducts round it for a tyre-reaming morning. Which is all ood clean fun but irrelevant) the family motorist who ıinks, reasonably enough, that oor handles are for opening oors, not for trying to corner n.

Then there is the 50-mile otter around country roads; an lternative favoured by manuıcturers whose latest offering ıay be undergeared, underowered or both. The third ourse sorts out the men from ıe boys and is for those with ıith in their new model's ride, oadholding, steering, comfort, rakes—and unbreakability.

Chrysler comes into the third ategory. For the international ress launch of their new Iorizon hatchback they set up amp (if that is the right word or the splendid Hotel Salam) n Taroudant, well off the ourist track in Morocco, where oads vary from fair to terrible nd the potholes come kingized.

"Your route," they said, "is) Ait-Melloul, Tiznit, Tafraout nd Ait-Baha and back to 'aroudant. It's just under 300 ıiles, so if you start after breakist, stop a couple of times for ıint tea and have a picnic ınch, and you should be back t the hotel in time for a swim efore the sun goes down."

I was, having averaged 46 mph or 6½ hours driving, mainly n tarmac strip roads with irt shoulders. You have to ake to the shoulders to pass rucks. Though the shoulders ıre fairly level as a rule, the step between tarmac and dirt may be steep and ragged enough o pull a tyre off the rim if you hoose the wrong spot to climb ack on the road again.

The Horizon fits in between he Simca 1100 and the hrysler Alpine in in size. The 1,118 cc GL model has the Simca's engine; the 1,307 cc GLS has the same engine as the bottom-of-the-range Alpine. Close to 50 per cent. of the Horizon's parts are in fact from the Simca 1100 or Alpine. The front suspension is Simca, the rear suspension Alpine. The four-speed transmission is from the Simca. All the body panels are new, but the styling is so typically Chrysler contemporary that traces of the Alpine and even the British Chrysler Sunbeam are to be seen everywhere.

The all-independent suspension is softly comfortable in the French manner, though it allows only moderate roll on corners and none of the swaying and wallowing on winding roads that passengers can find so disagreeable.

Morocco's roads are merciless on suspensions. I bottomed the Horizon's only when I did not lift off soon enough for a rocky river crossing or failed to see a deep pothole in time to steer round it.

Significantly, several of the cars suffered burst tyres and buckled wheels after hitting massive potholes at speed simply because they were able to absorb so much punishment on rough roads without making the driver feel uncomfortable.

Driven as though paid for with one's own money, the Horizon rides like a limousine Whether the 1.1 litre GL or 1.3 litre GLS, there is more noise from the tyres rolling on a coarse surface and from wind rushing past the mirror, wipers and radio aerial at 70 mph than from the engine. Even flat out downhill (92 mph in the GL, 96 mph in the GLS) neither car sounds in the least frenzied. Chrysler's claim that they are their quietest cars in their class is believable. Fuel consumption, gently driven, can be better than 40 mpg in the GLS.

The disc front, rear drum brakes were powerfully progressive and did not fade on mountain descents. The clutch is smooth and the gearshaft, if a bit rubbery, is light and quick. Though high enough geared to make a lot of elbow waving unnecessary on hairpin bends, the steering is effortless for town driving and parking and precise at all times.

Handling is well-mannered and predictable. The Horizon is one of those thoroughly likeable cars that feels right within the first few hundred yards and gets even better as the day wears on.

The plump seats are cloth upholstered. Shoving the front ones right back curtails kneeroom in the rear, but with a degree of give and take, there is space enough for five people for short journeys. The rear seat backrest tips forward and the parcel shelf lifts out so the Horizon has most of the attributes of an estate car.

Its crash safety was accidentally if convincingly demonstrated when one was tipped over the edge of a mountain road and rolled for several hundred feet down a slope of boulders and scree. The passenger compartment remained largely intact, the laminated windscreen stayed in place and the driver (belted, of course) was unhurt. Had he been unbelted it would have been a different story.

The Horizon will reach Britain in October. It will fill the price gap between the poshest Sunbeam (currently £2,985) and least expensive Alpine (£3,072). In France it is now on sale at approximately £2,750 for the GL, £2,960 for the GLS—prices which, Chrysler points out, comfortably undercut those of the equivalent Volkswagen Golfs.

Chysler took the Car of the Year award with the Alpine in 1975. They could do it again with the Horizon this year.

GOLF

Nicklaus is still the maestro

GOLF

BEN WRIGHT

AS WE SAT AROUND enthusing wildly about the finish of the Doral Eastern Open in Miami last Sunday evening the realisation dawned upon all present that the luckiest break of our lives as scribes and broadcasters is in being contemporaries of Jack Nicklaus.

We thought we had seen everything two weeks previously when the great man had reeled off those incredible five consecutive closing birdies to steal a victory in the Jackie Gleason Inverrary Classic. But Nicklaus's second successive final nine holes in a tournament of six-under-par 30 for rounds of 65 was almost more unbelievable.

The fact that his great friend and rival, Tom Weiskopf—they were both born in Columbus, Ohio—was on the receiving end of this brilliant barrage, and reacted only by raising his own majestic game to hang on to win by a single stroke, was a singularly poignant one to all of us who know the winner well.

Since Nicklaus joined the U.S. tour in 1962 he has won 64 tournaments and 14 major championships. Weiskopf, three years younger at 35, joined the tour three years later, and since then has won only 12 tournaments and but one major championship, the 1973 Open at Troon. No-one knows better than Tom himself that if he had Nicklaus's head on his shoulders it might have been he, rather than Jack, who is widely regarded as the greatest golfer of all time.

Weiskopf's temperament is as legendary as it is unreliable, and his start to 1978 had been a disturbing one. In four previous appearances he had missed the cut in Phoenix, tied for eighth place in the Bing Crosby, finished 27th in Los Angeles, and 13th at Inverrary. He had won $11,008 with a scoring average of 72.0 for 14 rounds and 1,008 strokes. What a contrast to Nicklaus's performance!

In three outings, Jack had averaged 70.5 strokes for 12 rounds containing 846 shots. He tied for 29th place in the Crosby, was second in Los Angeles, and won at Inverrary. His money winnings of $74,265 gave him an average of $24,755 per tournament.

To get back to the unforgettable golf of Sunday, Weiskopf took a tenuous grip on the rain-delayed event with a third round of 67 in the morning that lifted him two strokes clear.

Weiskopf and Nicklaus both reached the final turn in 35, Jack by virtue of a 35 foot chip straight into the hole at the water-surrounded 181-yard 9th for a two. At this stage Mahaffey, also out in 35, was closest to the leader.

But then Nicklaus really got to work. He made an eagle three at the 10th with a 57-yard sand wedge directly into the hole. Weiskopf hit the green with his two iron for a birdie, and wedged within four feet of the 351-yard 11th for another, while Nicklaus took two putts for par—no blood.

The 12th hole is a monumental 608 yards long. After Nicklaus had pitched directly into the hole from 58 yards for a second eagle three, Weiskopf holed from 15 feet for the bravest imaginable birdie. He led by three shots now, but was plainly disturbed. The 419-yard 14th hole provided a two-stroke swing that would have destroyed a lesser man—exactly what Weiskopf used to be. Nicklaus got up and down from sand with the help of a six-foot putt while the leader took an agonising three putts from 30 feet. Surely he would now collapse?

Not a bit. Weiskopf struck a glorious six-iron shot at the 183-yard 15th to re-establish a two-stroke lead by holing from 9 feet for a two against Nicklaus's marvellous par from the right-hand bunker.

Both hit excellent drives at the 379-yard 16th, dog-legged to the left round a sea of sand. When Weiskopf followed Nicklaus into the front bunker from far less than 100 yards I thought he was doomed. But both men got down heroically in two shots, Tom from a far worse lie. Nicklaus had not finished with him, however, feathering in a six-iron shot four feet from the hole at the 426-yard 17th for a birdie, while Weiskopf had to roll in a second putt of fully four feet to retain his advantage of one shot.

In his entire career, Weiskopf had never before needed to make par to win. Now he was forced to do so at the 437-yard 18th on Doral's "Blue Monster," renowned as one of the toughest finishing holes on the tour, with water all the way down the left. Both men hit perfect drives.

In 1968, Weiskopf had scored six here to lose the same tournament by a stroke. Now he vacillated between a five and four iron, finally choosing the latter to hit the green. In going straight for the pin, Nicklaus pulled his second shot to the very edge of the water, but played a pitch from a horrible spot that can only be described as miraculous.

A lick of paint in the springtime

SAILING

ROY HODSON

MORE RELIABLE than the cuckoo as a sign that Spring is on the way is the first sighting of a yachtsman painting his boat.

In several Hamble boatyards last Sunday I saw covers being removed. A few owners with the "press-on" spirit were actually slapping on the anti-fouling paint preparatory to an early launch and a long sailing season.

What goes on in the effete climate of South Hampshire is not, of course, typical of Britain. The majority of boat-owners are not likely to buckle down to the annual ritual of "fitting-out" much before Easter.

Before buying paint and varnish for this season, it will be worth while to study the products that are now available for all the usual forms of boat construction including wood, aluminium, steel, and reinforced glass fibre.

More changes than for many years past in the technology of paints and painting are being sprung upon the marine market. International Yacht Paints, Berger Little Ship Paints and Helmsman, three brands which between them dominate the British yachting market, are offering new products and are suggesting ways in which the whole business of painting, varnishing, and anti-fouling can be made simpler and easier.

The first big development in yacht finishes I can recall was the introduction of the polyurethene varnishes. They offered a harder alternative to the traditional oil-based varnishes which had been in use since Nelson was no but a lad. Then came the two-pot paints and varnishes which have to be mixed together. They can be tricky to apply but give outstanding protection and long life. The paint makers have now refined their technology to a point at which they know that the various products are good and thus they can concentrate upon making life simpler for the man with the paintbrush in his hand.

International have come up with two new paints: Perfection 709 which is a two-pot polyurethan paint intended primarily for glass fibre boats; and Micron 25 which, the makers claim without paying lip-service to modesty, is the world's best anti-fouling paint.

As those two paints are the ones that yachtsmen are most likely to be experimenting with for the first time this Spring it is worth looking more closely at what they are supposed to be able to do.

Perfection 709 is an improvement upon the earlier two-pack paints which are used to cover glass fibre. I can hear some readers shouting that glass fibre boats properly looked after should never need painting. That is what might best be called a dubious truth. My own white glass fibre hull is now nine years old. It is in excellent condition having been carefully maintained and polished. It certainly does not need over-painting. But I have seen many boats only a few years old which have been scuffed along jetties, neglected, or coloured with pigments that have faded in sunlight. Two-pot polyurethane paint is the answer for boats like that. Three coats can restore them to a new condition with a surface which is claimed to be harder than the original glass fibre.

Perfection 709 is claimed to last longer than the paint it replaces and to be easier to apply as it does not dry off quite so quickly. But the main element of progress towards simpler painting seems to be that International have done away with the need for a first coat of glass fibre primer to soften up the surface. The company says that the only preparation necessary in future is a rub-over with a new abrasive cleaner which should then be washed off.

Micron 25, the new anti-fouling dissolves away slowly as it releases its poison to discourage the barnacles from taking up residence on the ship's bottom. The claimed advantage here is that the paint always has a smooth finish as it wears away, and there is little or no build-up of old anti-fouling paint from season to season.

Little Ship are keen on yachtsmen trying their single-pot paints for a number of jobs to avoid the extra trouble and expense of the more sophisticated products. I think that is good advice. If painting and varnishing has to be done out-of-doors in cold weather the simpler products can prove the most effective.

For years we have been struggling to persuade varnish to stay-put on our boat's teak rubbing strake. Teak is a notoriously difficult wood to varnish because it is so oily. Some sailors don't even bother, but we like the golden appearance of a varnished teak rail at deck level.

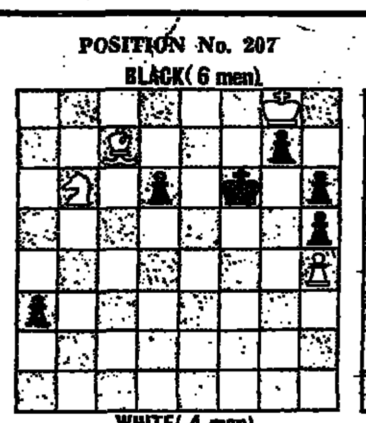
None of the two-pack varnishes and other synthetic preparations withstood the sailing season. We have now gone back to the standard Spinnaker varnish (Matthews of Liverpool) in the green tin—an "old faithful." For this particular job it still seems the most durable stuff around.

CHESS

LEONARD BARDEN

POSITION No. 207

BLACK (6 men)

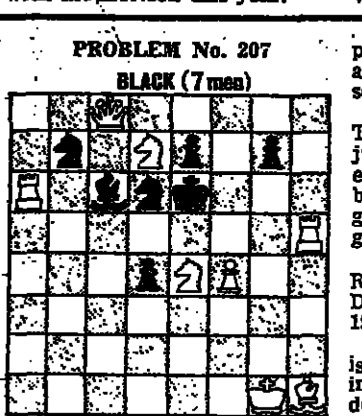


WHITE (4 men)

White to play; what result? This endgame (by N. Tarasov) requires precise judgment and leads to a surprising finish.

PROBLEM No. 207

BLACK (7 men)



WHITE (8 men)

White mates in two moves, against any defence (by A. Mari, Lo Scacchista 1921, 1st prize).

Solutions Page 12

HESS in the U.S. seems to be icking up from the disappointnent caused by Fischer's withrawal from active play nmediately after capturing the vorld title from Spassky.

U.S. Chess Federation memberhip, which doubled in the year f Reykjavik to 60,000, has since ropped back to 45,000 but has ow stabilised, still healthily bove its pre-Fischer level.

The general air of disillusion neant that even the U.S. victory n the 1976 chess olympiad in srael aroused little enthusiasm rom the public, but in the past ear a new generation of young layers has emerged to stimulate resh interest.

Last month's strong interational at Reykjavik, the scene f Fischer's triumph, could prove n important milestone in the .S. revival and is also an enouragement to British hopes.

Walter Browne, U.S. champion hree times running and current tle holder, took first prize with ine out of 13, holding off a final ound challenge from Tony Miles who was half a point behind. Bent arsen, the Danish grandmaster, ed for much of the tournament ut collapsed at the finish to hare third place with Olafsson, ombardy, and Hort on eight oints. The Soviet grandmasters, olugaevsky and Kuzmin, were nexpectedly subdued and scored ½ and seven respectively.

Taken in conjunction with Miles's run of successes last autumn and the improving results of the young Dutch grandmaster Timman, it is now possible to speak of the young Western players as offering the most serious challenge to the U.S.S.R. on the international circuit since Fischer abandoned serious play.

The famous Lone Pine tournament in California, the richest and most important Swiss system event in the world, could be the setting for another East-West struggle from April 2 to 12. The brainchild of chess patron Louis D. Statham, Lone Pine has a first prize of $12,000 and is limited to strong masters and talented juniors. All the leading U.S. players are taking part, and Petrosian, Spassky or Korchnoi, and Larsen are also expected. Another interesting entry is Joel Benjamin, the 13-year-old who recently became a U.S. master (equal to a 200 British grading) at a younger age than Fischer and who beat a grandmaster, the Finn Westerinen, at the recent New York international.

Lone Pine's prestige makes it a fine proving ground for young talents. The Slater Foundation twice assisted Miles to play there on his way up to grandmaster, and each time Tony finished high in the lists and made a good impression with the U.S. public.

The prospect of the strongest Lone Pine yet in 1978 provides an opportunity to test our best young players in top competition. An under-25 team of Miles, Stean, Mestel, Speelman and Taulbut, perhaps the world's best in this age group, will officially represent England at Lone Pine.

Their task will not be easy. That the U.S. champion, to name just a single opponent, is in excellent form just now is shown both by the Reykjavik result given earlier and by this week's game, the 1977 U.S. title decider.

White: W. S. Browne. Black: R. Byrne. Opening: Dutch Defence (U.S. Championship 1977).

1 P-Q4, P-KB4; 2 N-QB3 (normal is 2 P-QB4), N-KB3 (already an imprecision; instead P-Q4 would deny White the opportunity to weaken Black's pawns); 3 B-N5, P-Q4 (if P-K3; 4 P-K4, PxP; 5 NxP, B-K2; 6 BxN! BxB; 7 N-KB3 followed by P-QB3, Q-B2 and 0-0-0 with a standard attacking formation favourable for White); 4 BxN, KPxB; 5 P-K3, B-K3 (losing more time—simpler is P-B3 and B-Q3); 6 B-Q3, P-KN3; 7 Q-B3, P-B3; 8 KN-K2, N-Q2; 9 P-KR3! (now P-KN4 will disrupt the defences), Q-N3; 10 P-KN4, QxNP; 11 R-QN1, Q-R6; 12 PxP, B-B2; 13 RxP, B-N5; 14 0-0! (Black's resource is shown to be an empty threat. If BxN; 15 R-N3 regains the piece with advantage), 0-0-0; 15 RxB, QxR; 16 B-R6 ch, K-B2; 17 R-N1, Q-Q3; 18 R-N7 ch, K-B1; 19 R-N3 ch, K-B2; 20 R-N7 ch, K-B1; 21 P-K4! (White took half an hour over this move before deciding to go for more than perpetual check. Now Black's one chance is NPxP although PxQP is still strong. In the game, Black miscalculates and his position collapses suddenly), N-N1; 22 N-N5! PxN; 23 Q-B3 ch, N-B3; 24 P-K5! Q-B2; 25 P-K6! Resigns. If QxR; 26 QxN ch.

BRIDGE

E. P. C. COTTER

ET ME remind you that *The Guardian* Easter Bridge Tournaent is being held as usual in he Europa Hotel from Friday, March 24 to Monday, March 27. *The Guardian* Pairs Championhip, which is again the British heat of the Philip Morris Europeen Bridge Cup, will be decided over three sessions, on Friday evening and on Saturday nd Sunday afternoons. There is lso a Mixed Pairs and a Teamof-Four Championship. For ntries and all information pply to Bridge, 7 Stratford Place, London, W1A 4YU (629 6818).

Paul Lukacs and Jeff Rubens ave produced an excellent book of problems, *Test Your Play as Declarer* (Robert Hale £4.25), which I can confidently recommend. It will give you pleasure, nd it will also sharpen up your dummy play.

Here is a hand from rubber Bridge:

```
             N.
          ♠ Q J 6 3
          ♡ Q 5
          ◇ Q J 6 2
          ♣ 8 4 2
W.                    E.
♠ 10 8 7              ♠ 9 5 4 2
♡ J 10 9 8 6          ♡ 7 4 3 2
◇ K 9 7 4             ◇ 10 8
♣ 3                   ♣ A K Q
             S.
          ♠ A K
          ♡ A K
          ◇ A 5 3
          ♣ J 10 9 7 6 5
```

South dealt at game to North-South and bid one club, North replied with one diamond, and raised South's rebid of two no trumps to three. West leads the Knave of hearts—what course of action do you suggest for the declarer?

The best line, which succeeds as the cards lie, is for South, after winning the opening lead with his Ace, to cash Ace and King of spades, and lead a low diamond to dummy. If the Knave wins, declarer should cash the two spade honours, discarding his heart King and a low club, return to hand with a diamond to the Ace and lead a third diamond. When West wins, the defence can cash three clubs, but eventually dummy must get in with the heart Queen and cash his remaining diamond for the contract.

If East wins the diamond Knave, South has the Queen as entry to the table, and must hope the suit breaks 3-3.

The next hand, again from a rubber, was dealt by South at a love score:

```
             N.
          ♠ K 4 3 2
          ♡ K J 4 3
          ◇ Q 5 2
          ♣ 8 6
W.                    E.
♠ 9                   ♠ 7 6
♡ 8 6                 ♡ Q 10 9 7
◇ J 9 8 7             ◇ K 6 4
♣ K J 9 5 4 3         ♣ A Q 10 7
             S.
          ♠ A Q J 10 8 5
          ♡ A 5 2
          ◇ A 10 3
          ♣ 2
```

South opened the bidding with one spade, and went four spades after a single raise from his partner. West led the spade nine, East following suit, and South won with the ten. Can South make sure of his contract—how should he set about the hand?

Yes, the hand can be made for certain. South should draw a second round of trumps with the Ace, cash Ace and King of hearts, and cut adrift with a club. A heart from either defender sets up a heart trick in dummy, and a diamond lead will solve the declarer's problems in that suit.

Whichever defender wins the club must return a club—and now comes the key play. The declarer *must discard his remaining heart.* This presents the defence with an insoluble problem. A diamond, as before, does the declarer's work for him, and a heart from West must set up a trick for him. It is best for East to win the second club and lead a heart, but the declarer can find an answer to this—he merely discards a diamond from hand, and the tenth trick must be established.

FASHION

The least mysterious East

BY ARTHUR SANDLES

EVERY NOW and then the business traveller gets something of a shock as far as his clothing is concerned. The past few days here in Hong Kong have provided such a surprise. The weather has been cold and wet. All that relaxing spring clothing has remained packed, and the one dark suit I brought is being heavily overworked. Business shirts have been going to and from the hotel laundry with impressive speed.

The weather has been only one of the surprises in this spectacular and fast-moving city. The other is Hong Kong's image as a source of bargain basement fashion. It is sad to report that the day of the $50 hand-made suit is over. Although reputable tailors will still make you a suit in a few days—at Sam's you are shown suit orders from Ted Heath, Jeremy Thorpe, and a bevy of British royals — the cost is likely to be around £60-£80, and probably much more if you seek out high quality British or other European suiting. The cut seems determinedly Anglo-Saxon mainstream and payment normally instant.

Tailor-made shirts cost around £5 for cotton and £9 for silk, but you have to be very careful about collar styles, and be prepared to bargain.

Ready-made clothing in local shops is, however, remarkably cheap. Brand name jeans, such as Wrangler and Levi, cost less than half London prices.

The low cost of such cotton-based products is hardly surprising since textiles still account for the bulk of Hong Kong's exports. Local prosperity is having its effect on manufacturing costs and some factory owners send their work out to the workshops of nearby struggling Macao where labour settles for considerably less than the going rates in Hong Kong.

Oddly enough Hong Kong may now be benefiting from textile protectionism more than it is losing. By imposing quotas based on past performance the EEC and the U.S. are actually keeping out the colony's rivals while preserving its share of those markets.

In the local retail shops, however, apart from basics even Hong Kong demonstrates how good Britain is nowadays for quality fashion at reasonable prices. We may wince at Savile Row bills these days but what costs you £350 there will produce a much higher tally in Paris or New York. Good ready-to-wear clothing in the U.K. is considerably more fashion alert than in the mysterious East and, quality for quality, surprising value.

Jaeger, for example, is not noted for being at the cheaper end of the market but, if you are thinking in £85 to £125 terms you will find the bulk of the range in that area. Most of the suits show the influence but not the extreme of the trends towards softer, long lines.

The British apparently still head for the darker colours and more sober cuts on Jaeger hangers, but Jaeger light-coloured suitings are selling well to tourists—is London really still dirtier than Paris?

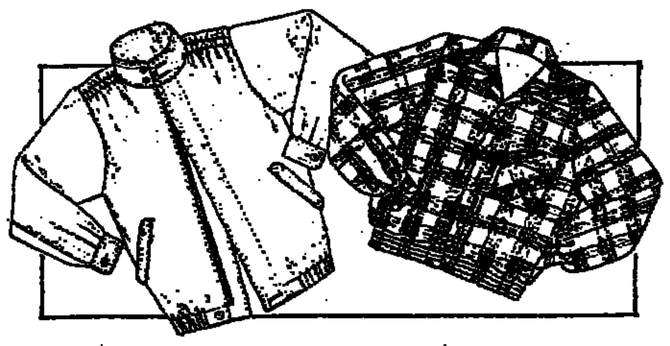
The suit illustrated is a superbly soft single breasted one in all wool. It comes in pale grey or a light beige colour. Both of these are perfect for the English spring. It costs around £110 from Jaeger branches.

Come to think of it they would also be perfect for March in Hong Kong. But it is too late now.

Worn with the suit is a white and grey striped cotton shirt, £17.50, and Jaeger tie (these start at £6.95).

Photograph by Trevor Humphries

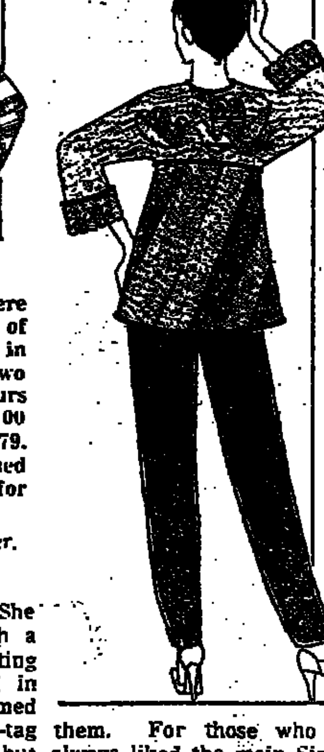
Jermyn style



Above: Typical of Georges Rech's relaxed approach to men's fashion is this unlined zipped jacket, £55. Centre: Daniel Hechter designed this unlined checked jacket. Made from 80 per cent. wool it is cream, grey and rust, £35.

Right: This quilted cotton jacket by Jeanne-Marc of California is unique—there are other quilted jackets of different shapes or in different colours but no two are exactly alike. The colours are stunning. Made from 100 per cent. cotton it is £79. There are trousers designed to be worn with the jacket for £19.

Drawings by Jan Wheeler.



THE CHIC fashion show of the week was undoubtedly the one held by Simpson Jermyn Street. If you weren't invited to that, you felt like the American businessman who's just had his key to the executive washroom taken away. As the gossip-writers say, anybody who was anybody was there and just like at all the best parties the champagne ran out.

But apart from all that, as somebody said to Mrs. Lincoln, how was the play? What, in fact, is the shop actually like? Well, it's really very nice. You go through these doors (note the name, Simpson Jermyn Street) and there you are, almost as if you've entered somebody's "tastefully" furnished drawing-room (if it's women's clothes you're after) or else an equally "tastefully" done country club library (for men's clothes).

You probably think the name, Simpson Jermyn Street, sounds vaguely familiar and you'd be right. It is related, very closely, to the august establishment of Simpson Piccadilly.

Georgina Simpson, only child of Dr. and Mrs. Leonard Simpson, is the main inspiration behind the new shop. She wanted to sell clothes with a different sort of handwriting from those normally found in the main store. She has aimed at clothes without an age-tag but with an overall younger, but still sophisticated air about them. For those who have always liked the main Simpson store but found its prices beyond their means the news is bad in that Simpson Jermyn Street does not seem to me to be any cheaper. But the look is undoubtedly different.

Georgina Simpson has combed several countries and though, London being the fashion centre it is, most of us are used to seeing racks full of the best that France and Italy have to offer, new to me are the American clothes. Most of them are a joy in that they are singularly "happy" clothes — made in fresh, bright colours, most with distinctly individual touches, so that no two items are identical. The names to look out for in particular come from California—Jeanne-Marc, Scarlet Speedwell and Sweet Inspiration.

From France I liked best some marvellous separates by Marinelli and I'm happy to say that Britain hasn't been neglected — Wendy Dagworthy, Jane Cattlin, Anna Beltrao, Shuji Tojo and others will all be found on the racks.

For men the outlook is very good—I loved the casual, leisure wear in particular. It happens to hit that very happy note of looking relaxed and comfortable and yet not hippy or slovenly. I loved in particular the casual blouson tops (two of which are sketched here) all o which can be teamed with toning gaberdine or corduroy trousers. They also do a nice look in suits, matching jackets to non-identical trousers, all very simple but impeccable when done by people of the calibre of St. Laurent and Valentino. One of my current favourite designers for men is Georges Rech who is amply represented at Simpson Jermyn Street.

To give you just a small flavour of the clothes on sale I've chosen three garments to be sketched—two blouson jackets for men and one of the colourful quilted trouser outfits from California for women.

Old Cockaigne

TRAVEL

ANTONY THORNCROFT

LAST YEAR London absorbed 20m. visitors, 11m. home grown and 9m. from overseas. Doubtless most of the first timers among them did all the conventional things — a shopping trip to the Marble Arch branch of Marks and Spencers; a stare at the Crown Jewels at the Tower of London; a wander from Leicester Square to Piccadilly Circus to see the lights.

All are worthwhile jaunts, even more so in 1978 now that M. and S. has added another floor to Marble Arch; Leicester Square has been prettified and pedestrianised and, at long last, Piccadilly smartened up; and the Tower is celebrating its ninth century with a History Gallery in the original White Tower. But in seeing the sights of London you will see very few Londoners. So, with the safe assurance that all the obvious attractions of London will be looked after by the visitors pre-knowledge, and the help of tourist guides, here are some hints as to what Londoners might be doing in 1978.

Some will be going to the theatre although in the summer the theatre audience is often predominantly foreign which can mean that very British comedies must fight against a rather leaden response. But there should be few problems with Evita, the new Rice-Lloyd Webber musical which opens in June at the newly named Prince Edward Theatre (formerly the Casino). Another musical which does not disappoint is Elvis at the Astoria, and for the children the revival of Oliver at the Albery will be a certain treat.

In the drama the Royal Shakespeare Company at the Aldwych is presenting the quartet of Henry V and the three parts of Henry VI, and other plays worth seeing are Once a Catholic at Wyndhams and Privates on Parade at the Piccadilly, which provide laughs for sophisticates, while the funniest production in London is Bedroom Farce. This is in repertory at the Lyttleton, one of the three auditoria at the National Theatre which is a must to visit for its modern decor and front-of-house attempts to spread the drama throughout the complex.

If you are a keen play-goer a visit to one of the many "fringe" theatres is recommended: the friendly atmosphere (they are often situated in pubs) and the close contact with the actors compensates for the hard seats and the naievity of some of the plays. The Bush at Shepherds Bush; the Kings Head in Islington (where you can also eat); and the ICA in the Mall —London's "official" home of contemporary arts — usually have something interesting.

The Royal Opera House Covent Garden tends to go rather pianissimo in the summer but the Coliseum keeps open with opera sung in English by the English National Opera. This year it looks as if the lover of the arts will be happiest in the art galleries and the museums. The Royal Academy, an imposing building on Piccadilly, is much more active these days with its exhibitions, and promises a fine collection of Victorian Art in the summer; the Tate is showing William Blake; and the Victoria and Albert, under Roy Strong, always has special displays with a popular bias.

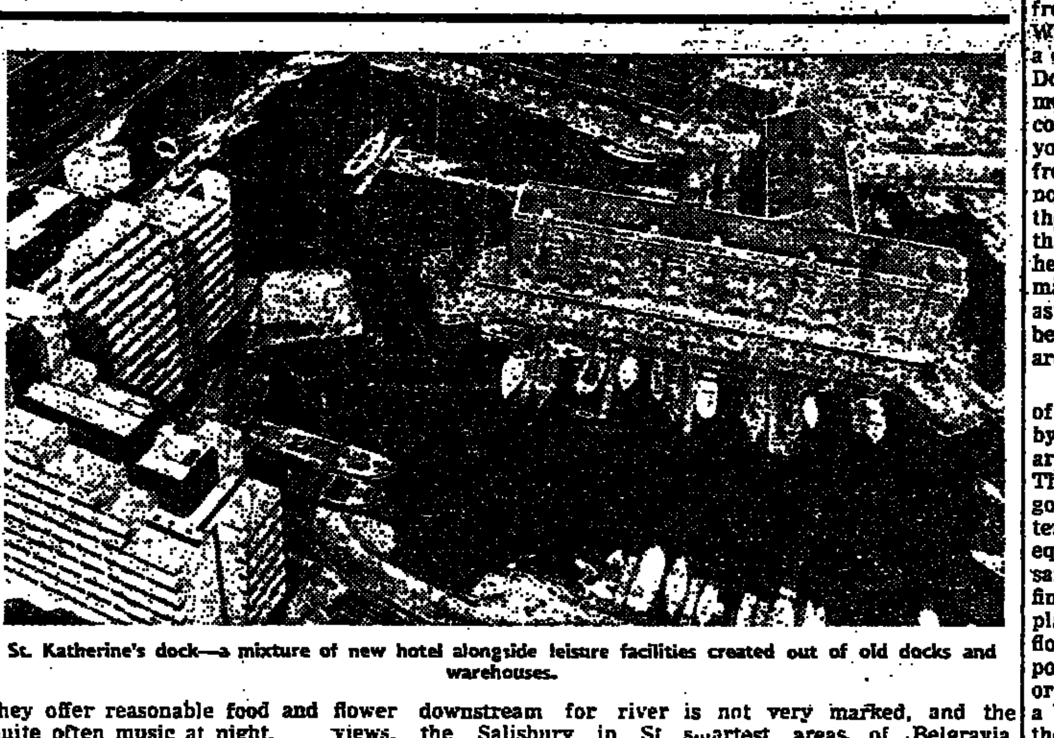
At one time visiting the Tate Gallery, stranded on one of the bleaker stretches of the Thames embankment, needed a great thirst for art; now it needs a much lesser thirst for good wine, for the Tate Gallery restaurant, quite exceptionally for any publicly-run restaurant in London, is now rated one of the best in the capital. There is no need for tourists to eat badly in London but often they fail to eat really well. For a start traditional British cooking is best prepared in the home rather than in a restaurant, and some of its more famous providers, such as Simpsons in the Strand and Rules in Maiden Lane, are more attractive for their atmosphere and Victorian fittings than their food. If you must eat British (and you ought to, at least once) The Hungry Horse in the Fulham Road is good and reasonable.

Probably the best bargains, and the most interesting dishes to be found in London, are in the cuisines which were drawn into the British experience through the Empire. There are hundreds of Indian restaurants providing very cheap meals, and while many are routine a few are quite exceptional. The area around Cleveland Street has some of the best, but if you want to pay more for more relaxing surroundings the two Gaylord restaurants and the Shezan provide a night out rather than a quick meal.

In the same way there is a host of Chinese restaurants, and once again the standard is rising steadily. They are massed around Gerrard Street in Soho, the new London Chinatown. Originally they supplied just Cantonese cooking but now you can eat Pekinese and even Schezuan. The Lee Ho Fook restaurants in Chinatown are particularly authentic — queues waiting to eat, unmemorable decor, waiters who hurry you through the meal but some of the best and most reasonable food in London. The sophisticated Chinese restaurants are those run by Mr. Chow and Poons. The other food is given the respect it deserves, and the surroundings are suitably smart. The other national cuisine with a big hold on London and which is equally cheap and interesting is the Greek. The best restaurants here tend to lie south of the good Indian, in the Charlotte Street area.

These colonial remnants all provide bargains—the chains of hamburger bars and steak houses tend to serve indifferent food at more costly prices. Italian restaurants are reliable, and there are growing numbers of Japanese (rather expensive) and American. Some of the trendiest new restaurants in London attempt to import a touch of New York, or in the case of the Chicago Pizza House off Pall Mall, the mid-west. London is a good place for pizzas, especially the Pizza Express chain, but the Chicago Pizza House is exceptional in the lengths it goes to transport you to Chicago, even down to tapes of a Chicago commercial radio station. A recent American addition is Peppermint Park in Upper St. Martins Lane, which stays open late and for a few more weeks at least will be the place where unknowns will go to stare at unknowns, and perhaps recognise the odd famous face. Its entrenched competitor is Joe Allens in Exeter Street, Covent Garden, which still attracts more than its fair share of actors and media hangers on.

Covent Garden is undoubtedly the most fascinating new old area of London. The removal of the fruit and vegetable market has miraculously not led to out-of-scale new developments. Instead the old houses, many of them 18th century, have been converted into dozens of small businesses. To service these mainly young entrepreneurs restaurants and wine bars have emerged—the wine bars gaining a more solid clientele perhaps than the expensive restaurants. In particular Brahms and Liszt, and Crawfords are thronged with the under-thirties who are not only there for the wine, and the Rock Garden provides a little of everything. Wine bars are one of the most interesting new features of London life. Some are cosy and take their job seriously; most are more social in their appeal; invariably they offer reasonable food and quite often music at night.



St. Katherine's dock—a mixture of new hotel alongside leisure facilities created out of old docks and warehouses.

It is idle to pretend that London is a good place for night life. The public transport system closes down soon after midnight which sums up the general attitude. There is Soho, which is safe but unromantic, and the Earls Court Road which is younger and perhaps more sinister. The Talk of the Town offers fairly famous entertainers and is reasonably priced but hardly reaches the heights of an international night spot. More intriguing is Country Cousin, a long way down the Kings Road but also a bargain, if only for the clientele which leans towards the gay. The smartest discotheques, like Annabels and Tramps, are members only, but you can move around in interesting circles at Dingwalls in Camden Town or Barbarellas in the Fulham Road, close to the Chelsea football ground, and a visit to soccer, or the dogs at White City, or speedway, will ensure very close encounters with everyday Londoners.

The East End is also a close community, but very friendly. You only see its money-making side in Petticoat Lane on Sunday morning, although this is a must both for sights and cheap buys. A more authentic Cockney market can be found in East Street, off the Old Kent Road, also on Sunday morning. The stalls are not geared to tourists, but as a slice of real London it could hardly be improved on, especially if you follow it up in a local pub, preferably one with live entertainment. Pubs offer the best of London, ranging from the quiet locals where darts and a coke fire rule, to the big pubs specialising in teenagers and topless go go, or the middle aged and sing songs, or jazz, or strip, or a piano, or virtually everything. Try the Samuel Pepys in the City or the Mayflower downstream for river views, the Salisbury in St. Martins for genuine pub effects, the Grenadier in Wilton Row where, if guardees and debs exist anywhere they linger here, the Black Cap in Camden Town for "Drag," and the nearest tucked-away pub to your hotel.

But like every great city the most interesting parts of London are its streets and villages: there are countless High Streets which service the immediate self-enclosed neighbourhoods. The most scenic are Hampstead, although the village is a disappointment compared to the open heathland at the top, and the attractions of Kenwood House, an art gallery which will probably please more than the National Gallery; Greenwich, where there are views of the Thames and the National Maritime Museum, and the chance to stand with one foot in the eastern and one in the western hemisphere; the Kew, Richmond, and Hampton Court area, where as well as the Gardens at Kew there are fine mansions at Chiswick and Syon and an excellent jazz pub at Barnes, in the Bulls Head; and Notting Hill, where Petticoat Lane market usually offers a few bargains, even if real antique seekers are best advised to go to Bermondsey, near London Bridge, on Friday mornings where the antique dealers come to pick over the merchandise gathered in from all over the country during the preceding week.

London is attractive on the surface; much warmer deeper down. But immersion takes time. Striking off on your own; grabbing a bus with a quaint sounding destination on front, is as good a way as any of plunging in. All streets are open, except perhaps for a few in Brixton. London is remorselessly turning out towards its suburbs, but as yet urban decay is not very marked, and the smartest areas of Belgravia, Chelsea, and Kensington, still offer squares and crescents unequalled anywhere in the world for style and charm. And if Buckingham Palace is rather a sombre mass, at least the parks, another joy of London, are close by. The Queen is in residence if the flag is flying—otherwise see her at Madame Tussauds on the way to the Zoo in Regents Park.

Your Week-end £: Austria 27.53, Belgium 59.75, France 8.80, Italy 1,575, Greece 66.85, Spain 149.50, Switzerland 3.53, U.S. 1.91. Source: Thomas Cook.

GARDENING

Daisy, Daisy

WHY THE world's most beautiful daisies should almost all come from South Africa I do not know but to me that seems to be the fact. Just consider the roll call: gerbera, dimorpotheca, osteospermum, ursinia, arctotis, gazania and many more. As rivals in the beauty stakes one could suggest the celmisias from New Zealand with superb silvery leaves and large, yet delicately formed flowers but their colour range is limited to white and they are not easy plants to manage. Or one could consider the extraordinary climbing mutisias from California, supremely lovely in their best species such as salmon pink Mutisia oligodon, but others can be untidy to the point of tattiness and again one needs a certain degree of luck to grow them succesfully.

By contrast the South African daisies are mostly easy to grow, a trifle tender, some more so than others, but on the whole reliable except for gerbera the Transvaal or Barberton Daisy, the queen of them all and a flower that is rapidly conquering the European cut flower market though it has not yet made much impression in Britain. In part this is due to our slowness in acquiring the best strains, most of which appear to have been raised in France and Holland and few of which can be purchased anywhere in Britain. "To expensive," I am told when I asked why I cannot buy a packet of seed of, for example, the superb varieties which are being produced by Professor Buys at La Lond in the Var not far from Nice. The flowers are far larger than those of the wild gerberas, with much sturdier stems, several rows of petals to each perfectly formed bloom and a range of colours which includes lovely shades of soft pink, muted oranges, yellows and reds, as well as stronger hues for those who like their colours pure. Professor Buy's gerberas are being extensively grown commercially on the Continent for the cut flower market but I have not yet met them in Britain. A few good strains are available from a very few seedsmen, Van Wijk's Strain from Unwins and a variety named Ramona from Dobies. No doubt there are more that I have not discovered, but on the whole, if you go to buy gerbera seed from a British seedsman (and now is the time to do it), it is the more old fashioned strains that will be on offer. Do not hesitate to buy them. They may not be quite as spectacular as the best but they will still be the most lovely daisies you are likely to have seen.

Gerberas are not the easiest of plants to grow but they are by no means so difficult as they are sometimes made out to be. The essentials are good light, good drainage and an equable temperature. A mixture of equal parts loam, peat and gritty sand will suit them and you will find it easier to manage them planted in a bed of soil on the floor of the greenhouse than in pots in which they can dry out or starve too easily. It is not a bad idea to plant them along the top of a low ridge, the kind one would form when earthing up potatoes, as this will prevent water collecting around the crowns of the plants and that is one thing they definitely do not like. Much of the year they will require no artificial heat and lots of ventilation. Even in winter it will be sufficient to keep the temperature between 10 and 15 degrees Centigrade (50 to 59 degrees Fahrenheit). From the standpoint of fuel consumption these are very economical plants to grow. Like perpetual carnations it is protection from damp that they most urgently need.

The osteospermums do not even require a greenhouse, except in the coldest parts of the country, and put out of doors the best of them will flower, more or less non-stop from early summer until late autumn according to the onset of frost. The kind that is easiest to acquire is Osteospermum barbariae, usually sold under its old name Dimorphotheca barbariae. It is a sprawling plant, with marguerite-like flowers, usually in some pale shade of lilac or mauve, always deeper coloured on the reverse of the petals and occasionally pure white. But the osteospermums are a confused race even in South Africa and I suspect that at least some of the plants that pass here as Osteospermum (or Dimorphotheca) barbariae are really another species, O. ecklonis, which typically has white, blue centred flowers but can also be pure white. Some forms are bushy others almost completely prostrate and it is probable that the sprawling forms are hardier than the more erect forms.

All the osteospermums are easy to raise from seed if only one can find a source of supply but few seedsmen seem to know anything about them. Some nurseymen stock a few varieties and since they are ridiculously easy to grow from cuttings (either true cuttings taken any time during the summer and rooted in sandy soil in a pot slipped inside a polythene bag, or Irishman's cuttings pulled off the base of the plant with a few roots already attached so that they can be replanted directly outdoors) they are turning up in increasing numbers in garden centres.

The true dimorphothecas are all annuals, those readily available in Britain almost all hybrids in a range of lovely pastel shades including amber, buff, old gold, apricot and shades of yellow and orange. They are hardy enough to be sown outdoors in April where they are to bloom, which should be a warm and sunny place, but I prefer to sow in pans in greenhouse, frame or sunny window, transfer the seedlings singly to small pots and plant out when they have filled these with roots and are well able to look after themselves.

This is also the way to grow gazanias, those richly coloured sprawlers that paint the South African roadsides with brilliant orange and yellow often with concentric rings of colour or a central zone of black. Again it is none too easy to acquire the species in Britain since seedsmen and nursery alike prefer to offer hybrids with larger flowers and usually a more erect habit which I do not consider an advantage. I like to see gazanias carpeting sunny banks, rosy slopes and gravelled or paved areas where there is sufficient soil for them to get root hold which they do very efficiently. However, the hybrids do have the twin merits of large flowers and a considerable colour range, including some shades of purple that are not to be found easily in other flowers.

Even better in this respect are arctotis and the remarkable race of hybrids raised between that genus and venidium. With these one can have wonderful shades of wine, coppery orange, purple and mauve as well as more ordinary yellows, and oranges. The arctotis are readily raised from seed in the same way as gazanias or dimorphothecas and seed is freely available but the venidio-arctotis hybrids are almost completely sterile and must be increased by summer cuttings. Because they produce no seed, they just go on flowering and flowering until they often wear themselves out and so it is really necessary to root a few cuttings every year and keep them in reserve. It is not too difficult to do and if you are looking for a real star performer in the daisy family that will grow outdoors, this is probably the plant for you.

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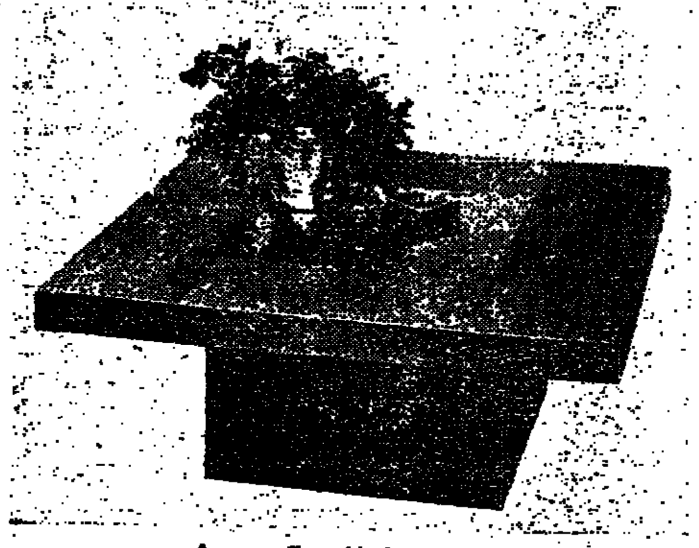
HOW TO SPEND IT by Lucia van der Post

Eyecatchers at Olympia

AS I mentioned last wee— didn't think this year's Ideal Home show was most notable for an abundance of new ideas. However, as always, if you look carefully there are a few things that catch the eye, either because they're particularly useful, or especially well-priced or, occasionally, if you're lucky, just because they're beautiful.

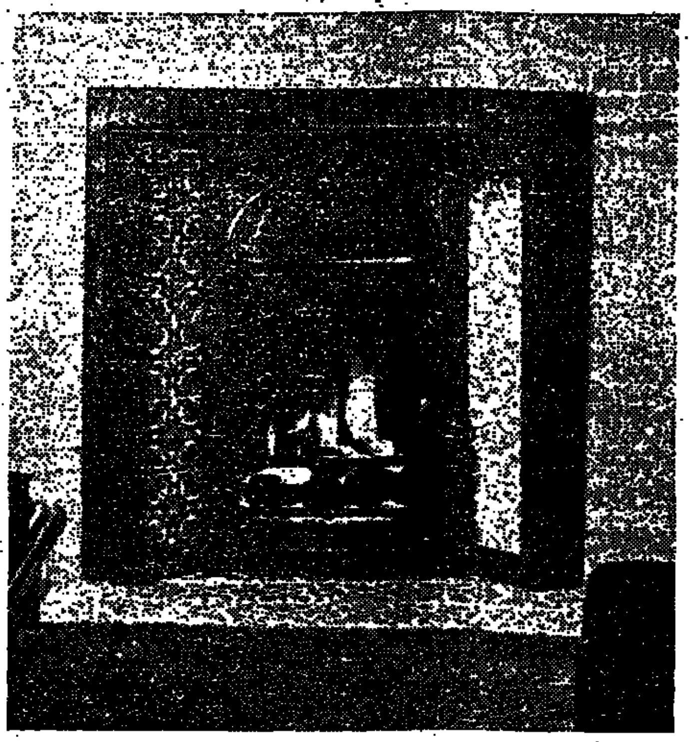
One of the things that happened to catch my eye—just because it was beautiful—was a ravishing old fireplace on the Solid Fuel Advisory Service stand. As always, they do an imaginative job in persuading people to open up their old fireplaces and use them for fires—not just because solid fuel is often the cheapest, most economical way to heat a house, but also because some of these old fireplaces hide genuinely lovely antique pieces of work.



A new coffee-table from G-Plan

Anybody who wants a beautiful old English fireplace (French ones I've written about before and they've been available over here for some time) should go along to Mr. Wandle's Workshop at 200-202, Garratt Lane, London, S.W.18. There is also a coloured leaflet illustrating typical examples which they will send to readers who send an s.a.e.

The Workshop specialises in rescuing the fireplaces that used to grace the rooms of London's suburban villas and artisans' houses in the latter half of the 19th century. At the workshop you may see a collection of unique, original and, usually, antique fireplaces all of which have been restored to their original splendour.



One of Mr. Wandle's antique renovated fireplaces

Besides selling the fireplaces themselves (and the workshop offers many different finishes, shotblast, brilliant polish, black lead, matt or eggshell black, paint and so on) there is also a complete fitting service. And if it's not a fireplace that you want but a stove or a kitchen range—well, the workshop offers those, too. Prices vary as every item is unique but fireplaces start at about £80 and most are between £80 and £150.

From the old to the very new—G-Plan is a company which produces furniture that sells in its many thousands and is therefore thought of as middle-of-the-road, treading that careful path between being acceptable to many and offensive to none. I have to admit that I haven't liked much of its recent offerings but this year's collection of new ideas, while not exciting, seems to offer some decent, honest, good-value furniture.

In particular, I thought this coffee table (top left) to be elegantly designed and made from generous proportions (it is 39½ inches square and 16½ inches high) and is made from a most intriguing new veneer with a burr-like pattern to it. There's a solid brass inlay and the centre portion is of tinted glass mirror.

I saw it on the Perrings stand and all Perrings branches are currently selling it for £90.00. Those who don't live near Perrings branches should be able to find it in their nearest good furniture store.

ANYBODY who has been looking at any fashion pictures recently can't help but have noticed that frills and lace are what the summer look is really about. Wherever one turns there is broderie anglaise, lacy knits, frilled and ruffled blouses and all the other delights that we used to think of as being pre-war. The penchant for frills has, not surprisingly, found full approval from the nightwear designers, who, truth to tell, were loth to leave it off even when it went out of fashion.

In fashion or out I think this polyester/cotton broderie anglaise negligee and its matching sleeveless nightdress make a fresh and summery twosome, just the thing both to enjoy wearing and to take when needing to impress smart ladies' maids and hotel chambermaids.

Made by Saxon, it looks its best in white, I think, but for those whose taste turns to pastels it also comes in blue or pink. The two are sold together as a set for about £55. You can buy it now from Dickins and Jones, Harrods and Bourne & Hollingsworth in London or from Vicki Bond of Cookham, and Schofields of The Headrow, Leeds.

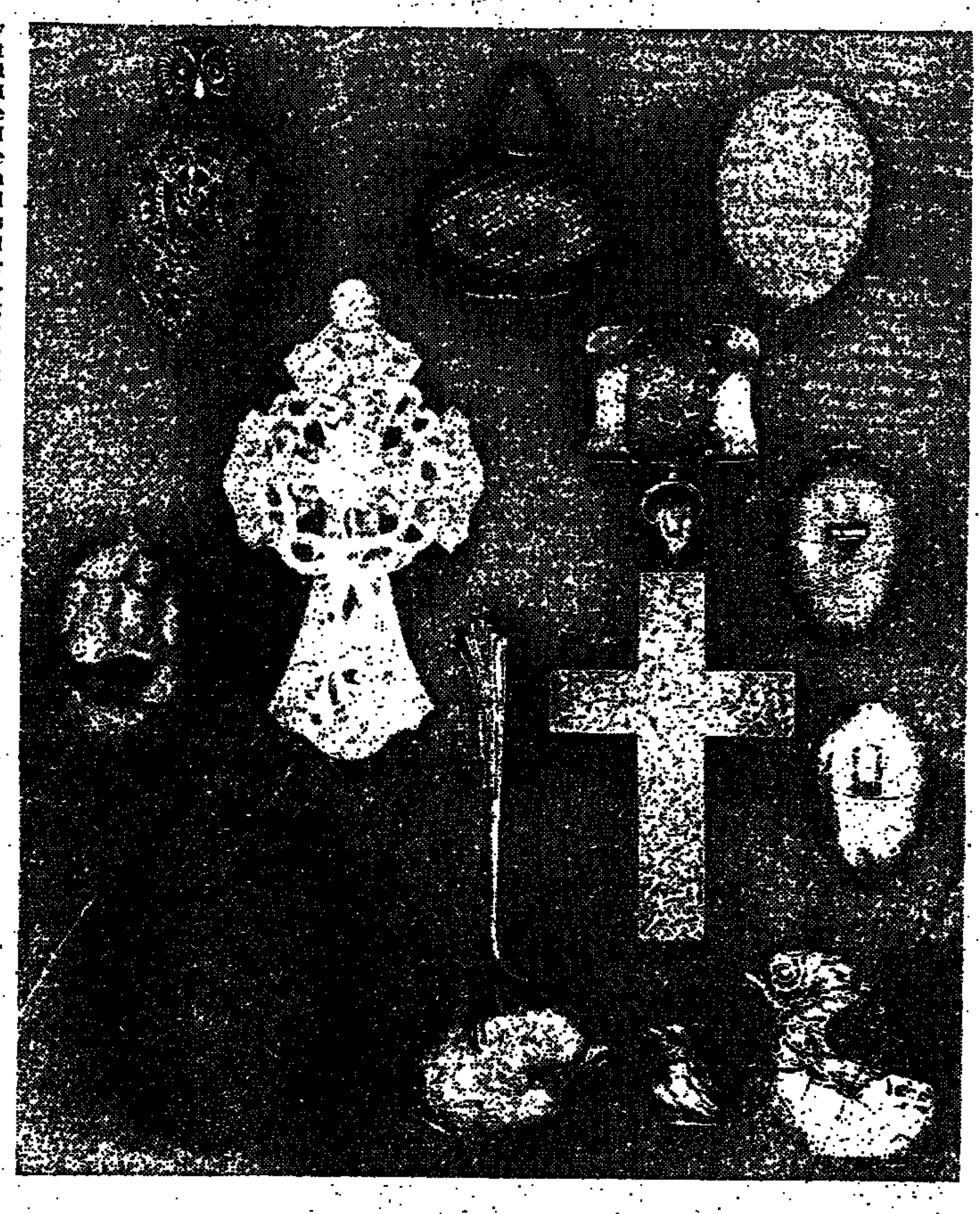
Easter Eggstra

EASTER presents got a very good showing on this page last week but the shops are so full of desirable Easter ideas that I couldn't resist featuring some more this week. Last week I listed several places which were prepared to help out-of-London readers by running efficient mail order services. This week it is rather nearer the day itself and therefore slightly trickier for those relying on the post. However, Dilemma, an interesting present shop at 22 Thackeray Street, London W8, has some extraordinary little chickens just flown in from America that they will send by mail, provided readers don't blame them if it doesn't arrive in time (they will post the same day as they receive the order). Each little chicken is packaged inside a 6-inch plastic egg—the chicken is in fact made of soap and when it is taken out its surface reacts with the air and it grows a fluffy white fur. Children, apparently, love them. £2.00 (p+p 20p).

For Londoners there are two shops that are, in my view, well worth a visit. Firstly, The Danish House, 16 Sloane Street, London SW1, is full of enchanting ideas on how to dress and lay the Easter table.

The shop is awash with lime green and yellow painted eggs, paper decorations, all of them exquisitely made by hand (there's no reason why those with the time and the talent shouldn't do the same). The prices reflect the fact that they are hand-made but nonetheless for a smallish outlay some long-lasting, exceptionally pretty table decorations could be bought. It is also the only shop I know of that sells those typically Scandinavian little circles of flowers for placing round the bottom of candles—£1.95 a pair, they come in a selection of very subtle colour combinations, pink and brown, white and brown, orange and brown and so on.

Finally, a totally non-fattening Easter suggestion and a good one to take if you are staying with friends for the week-end, is Brounley's collection of egg-shaped fragrant soaps. They come in (small) visitors' size or jumbo-sized, may be scented Rose Geranium, Lemon Verbena or Lavender. Visitors' size costs 25p each, a box of 25 is £6.25. Five marble soap eggs are £1.20, bath size 79p each. Find them in most good chemists.



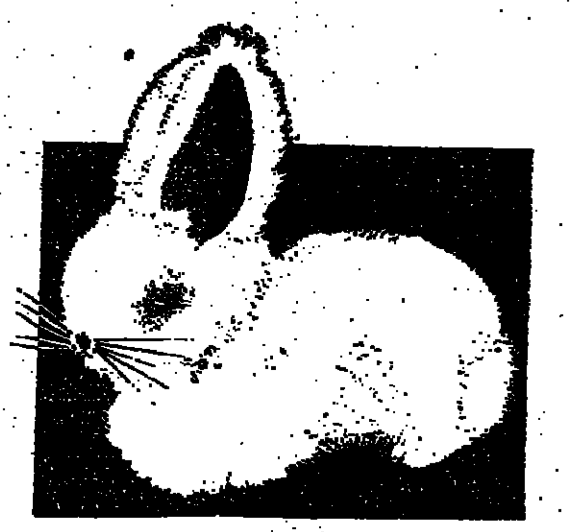
THE EGG seems to have become the most enduring of the Easter symbols (chickens and the fertile rabbit, though enduring, too, do not seem to feature quite so prominently in Easter tradition) and though all of us know of the famous Faberge eggs and the ingenious lengths to which he went to delight and astonish the Czar, not all of us are aware of quite how many other famous jewellers and silversmiths were attracted both by the shape and the mythology attached to the egg.

Some exquisite variations on this theme can be found among the stallholders at Grays Antique Market, 58, Davies Street, London, W.1. Though few of these finds are very cheap there are several that fall into the medium-sized price bracket and only one in our photograph (the owl perfume bottle which is embellished with silver) is over £100. If you are a collector of eggs (and it's amazing to me how many people are) you should hurry along and browse among the stands there.

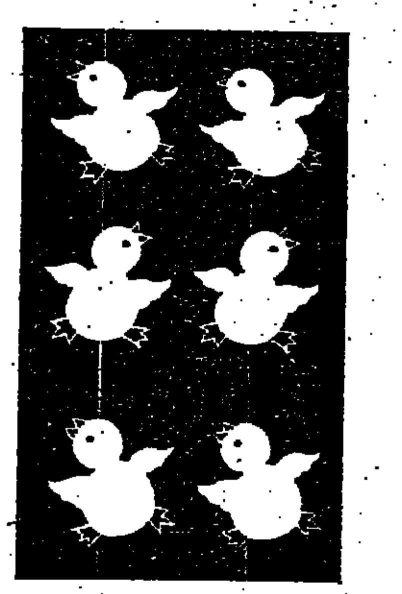
Photographed, above, is just a small selection of Easter suggestions—some of the eggs look as if they are only eggs but they open to reveal surprising contents.

Top row, left to right: Owl egg perfume bottle which is decorated with silver is £150 and is from Jean Bateman's stall. Next is a gilt egg which is also a thimble box; £25 from Jacqueline's stall. Third, is an ivory egg which holds a complete miniature tea set inside; £39 from Arca. Middle left is a green malachite egg for £15 from Abacus while next to it is a beautifully carved ivory cross for £70 from Jacqueline. The other cross is silver and dates from about 1877 and is £98 from Lynn and Brian Holmes. The little silver egg with the hinged lid on the right, second from the top, is also a thimble and pin box and dates from 1860, £75 from M. McAleer.

Bottom left is a darning egg in elm wood which is £12 from Patricia Crowley. Next to it is a chicken and egg salt spoon, which dates from 1906, for £42 from Ruth Stanley. The two little chickens are pincushions—the little one is silver and is £55 from Lynn and Brian Holmes, the larger, also of silver, is inexplicably cheaper at £48 from Clare and Ingeborg.



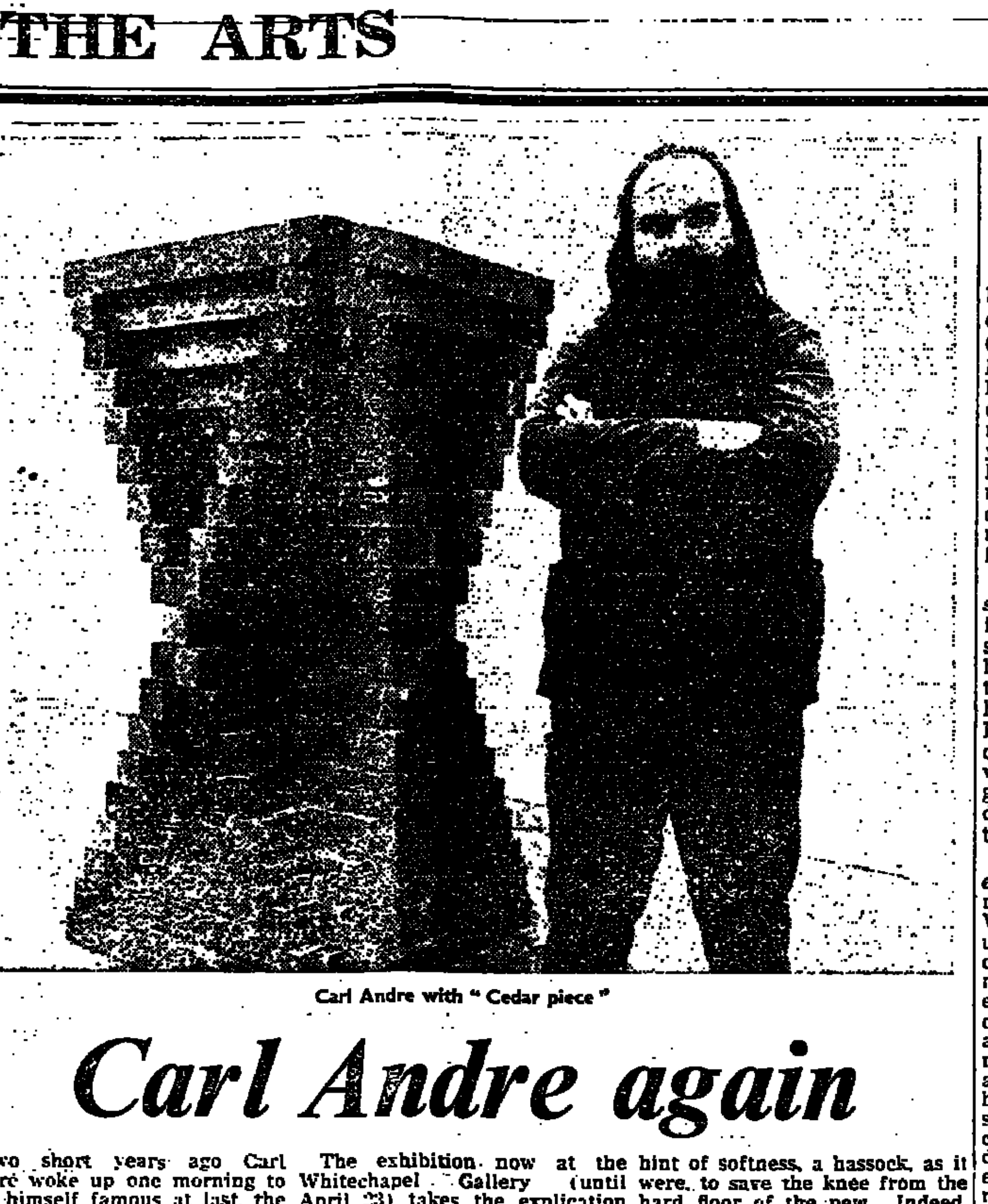
If you have a special child you'd like to give a present to this softest of rabbits is made of fluffy fur fabric (I suppose he must have a centre of something as well) and costs £4.50 from Harvey Nichols of Knightsbridge, London SW1 (80p p+p). He is 9 inches long and is made of hygienic, non-toxic, totally washable materials which should help to keep his fur that beautiful white. For those who prefer their rabbits to be brown there is an equally charming but bigger and more expensive brown rabbit also at Harvey Nichols. He costs £12.50 (p+p 80p).



Hand-made paper decoration from Denmark. In fresh, spring-like yellow and green this little string of ducklings on a string is 78p. They are widely sold and among other places can be found at The Danish House, 16, Sloane Street, London, S.W.1, Paperchase at 216, Tottenham Court Road, London, W.C.1, and Paperchase in Harvey Nichols of Knightsbridge, London, S.W.1 (who will post for 20p p+p).

Drawings by Jan Wheeler

THE ARTS



Carl Andre with "Cedar piece"

Carl Andre again

ART

WILLIAM PACKER

Two short years ago Carl André woke up one morning to find himself famous at last, the best-known if not quite the best-loved of younger sculptors, by courtesy of the watch-dogs of the public purse, caught on one of those slow news days when every honest journalist's fancy lightly turns to thoughts of the gullible fools in charge of the Tate Gallery. He was even grudgingly admired, for the one he had pulled off was admitted to be extremely fast; and so the Tate's Bricks joined figures with holes where their bellies should be, and both eyes to one side of the nose, as a staple of the running, and often very funny, Modern Art Joke.

The Tate, to its credit, having bought the work several years earlier, and shown it frequently without attracting undue comment, remained unrepentant. And last summer, restored after its violation to its pristine state, it formed the centre-piece of a small didactic exhibition wherein the other works by André in the collection, and those of his minimalist peers, both European and American, were shown together in an attempt to set out the principles that have preoccupied a significant group of artists over the past two decades.

The exhibition now at the Whitechapel Gallery (until April 23) takes the explication of André a stage further, being an elegantly and appropriately pared-down retrospective view of his work, from the early timber "Last Ladder" of 1959, a carved totem that openly acknowledges the influence of Brancusi, to the very latest metal floor pieces, and the timber piles that mark a renewed interest in a vertical sculptural presence. The bricks stand about half-way in this chronology alongside another work in the "Equivalent" series, showing how markedly different in presence and effect such closely similar things can be. The development throughout is straightforward and clear.

André cut and sawed the earliest pieces, which thus acquire, in the unmistakeably puritanical atmosphere that hangs so chillily over the show, an almost baroque richness: a hint of softness, a hassock, as it were, to save the knee from the hard floor of the pew. Indeed, in a self-revealing moment, André expressed the pious and wistful hope that his work stood in the great line through Brancusi, Rodin and so back to Bernini. He takes himself very seriously, and his ambition does him credit: we are duly impressed by the difficulties he had as a young man, and all artists who are forced by circumstances to work at other things for a while must surely sympathise. But, for all his protestations, his truth to materials, his working-class craftsmanship, his simplicity, he is no Brancusi: and the work begins to pall a little. Repetition of a point well made is not development after all.

The Bricks, which here seem to be his best, his strongest works are full of ideas, questioning the very nature of sculpture, order and structure, implying endless variety and stimulating the imagination: and the rest of the work is hardly idea-less. And it is in this engagement that André's significance as an artist is to be found. The inherent material qualities, the tree qualities shall we say, can look after themselves.

On Probation

RADIO

ANTHONY CURTIS

I sat up in my chair with note-book and ball-point at the ready during this week's Monday Play, *Occupational Hazard* by Bernard Krichefski (Radio 4, March 13). Mr. Krichefski is the new editor of the Monday Play slot. It is not every night of the week that you get a free lesson on How To Do It by the man in charge. For the benefit of prospective Monday playwrights, who may have missed the exercise, I offer the following deductions:

(1) *Choose an up-to-date subject.* And where better to look for one than in the jungle of the social services? Here we heard how Maggie Woodhouse, a trainee probation officer, handled her first case, a Pakistani garage mechanic on a charge of having stolen and vandalised a car. He is found guilty and Maggie takes an overdose. ("Occupational hazard"—to feel empathy for your client.)

(2) *Start somewhere near the end.* Remember radio is the natural medium of the flashback. We began with Maggie waking up in hospital. She is now a client herself, subject to shrinks, medical social workers, reports etc. Lying in bed she has plenty of time to dream and to think about the past. Cut to her first meeting with Mr. Patel, formerly an engineer in East Africa, and his pregnant wife, now living in squalid Bevin House, high-rise council flats. Add Maggie's own domestic situation, living with ex-boyfriend and his new mistress in an uneasy *ménage à trois*. (Get listener figuring, who is more mixed-up, Maggie or Mr. Patel?) Chop-up story-line three ways and flash alternately back from Maggie now, to Maggie then, (a) with Patels (b) with her ex and the hated Jane to whom he relates physically. Effective? Yes, very. Confusing? Yes, very, at first; pattern became clear after about twenty minutes.

(3) *Do your research.* Find out what dialect Patel and wife speak to each other (Gujerati). Check correct jargon of impersonal bureaucratic welfare machine that is villain of piece, that is, "section 1 emergency grant" for Patel when his flat is smashed up by thugs, "place of safety order" for Mrs. Patel's new-born baby to go into care after she has breakdown. Full marks here to author: but what about some research into character's speaking voices? Maggie (Glynis Brooks) sounded a bit too up-market: Patel (Zia Moyheddin) was rightly a fastidious user of English but his violence on the car was thereby made more difficult to credit.

(4) *Make the ear do work of other senses.* Smells and sights of Indian restaurant where Maggie's personal drama unfolds conveyed by weird twangy music, noise of popadums being snapped in half (sounded more like trees being felled), hospital, court-room echoes and silences. Producer, Piers Plowright, and studio managers, did their stuff almost to excess.

(5) *However fluid the narrative sustain suspense.* The verdict of guilty on Patel and Maggie's eventual recovery (with hint of new boyfriend in social worker, conveniently male) were never in any real doubt but provided a valid resolution.

I am not saying that your script will have to fulfil all these requirements to be accepted for production on the air by Mr. Krichefski and his colleagues. In particular on subject-matter the Monday Play is tolerant of subjects taken from a great many different walks of life, both actual and historical, provided they are sufficiently dramatic, more so than comparable slots on television. But your play will need to meet several of the points above, and you could do a lot worse than to study *Occupational Hazard* in preparation for another hazardous occupation.

Robert Hewison published a fascinating book last year about literary life in London during the Second World War, *Under Siege*, and has followed it by a feature *Where are the War Poets?* (Radio 4, March 12). I remember this question being asked in the 1940s but I should have thought by now it hardly needed posing. The past few years have seen several studies and anthologies of World War Two poetry along with Desmond Graham's biography of Keith Douglas whose *Complete Poems* he has just edited (Oxford, £3.95). It has been clear for some time that the outstanding poets were Douglas, Keyes, and Alun Lewis, all killed in the war, and that fine war poetry was written by a great many others including Roy Fuller, Gavin Ewart, Bernard Gutteridge, and Vernon Scannell. Mr. Hewison did not demur from this and he went into why the poetry of the Second World War was of a different character from the First with interesting comments from Alan Ross, Roy Fuller, and others. But what of the American contribution?

Steve Gumbley

Wet Maps, Dry Seas

THEATRE

MICHAEL COVENEY

Described as "an epic conjecture of specially composed music and visual theatre," this extremely assured but virtually incomprehensible new work at the Oval House from I.O.U., a splinter group from the established Welfare State performance art company, reveals the mossy undergrowth of our fragmented fringe theatre. It is an underground entertainment in every sense: the audience on Thursday night resembled a crowd of extras from the *Woodstock* film, a veritable sea of coloured woollens, pebbly spectacles and mewling infants. The lady next to me gave her child a breast as the lights went up on two black-garbed actors sporting huge, brilliantly executed masks representing an ocean fish and a Spanish galleon.

A strange nautical atmosphere is evoked and sustained by an onstage band of harmonium, guitar, violin, 'cello and trombone. Several sandbags descend from above on pulleys, one gurgitating a vaguely human amalgam of flesh and bone on the sea-bed. A rock trundles forward occupied by two Muppet-like relations of Neptune taking tea while an attendant Sunflower greets the day and feeds a live chicken. The trombone comes into its own, the day rises to a cacophony of bells and squeaks.

The mood is broken by a traverse curtain, and a jazzy piano accompanies the operatic domestic feud of a mother and thumb-sucking son waiting for Dad to come home. Dad turns up looking like Ray Bolger as the Tin Man after a rough night. Three Dickensian mourners arrive to pick over the débris, one releasing a polythene boat of spilling salt in a gentle cross-stage swing. You can take what you want from a show like this, but there is no disputing the hypnotic panache of it all.

The final image is of a headless trunk and an unoccupied pair of trousers flitting around to a quasi-religious anthem that could have been lifted from Steeleye Span. I think I would prefer to call a halt there to my brief descriptive account. There is no properly developed critical language for this kind of theatre and here is no place to invent one. Suffice it to say that I.O.U. are worth watching and will no doubt appeal to an audience spiritually disenfranchised by the main body of our literary theatrical tradition. It would be fascinating to see what the company made of a work like *Pericles* but I dare say that sort of ambition does not figure in what are exclusively sensory perceptions.

Turner fails to sell

SALEROOM

BY ANTONY THORNCROFT

There was a disappointment at Christie's sale of English pictures yesterday when the chief attraction, an oil by Turner entitled "Neopolitan Fisher Girls Surprised Bathing by Moonlight," failed to reach its reserve price. Bidding stopped at £140,000. The total for the auction was £456,060.

A Stubbs of a mare and foals in a rocky landscape sold for £42,000, well over double its estimate. A Ben Marshall picture of Zinganee with jockey Sam Chifney, Jnr., was bought by McInnes, an Eastbourne dealer, for £20,000, and another racing subject, "A view of Warren Hill, Newmarket"

Among the other prices a Reynolds portrait of a lady, apparently Mrs. Trecothick, sold for £13,000, as did a group portrait of Sir Charles Cockerell and family by Renaldi. A previously unrecorded painting by James Pollard of the Cirencester to London coach, recently unearthed in Battersea, was bought by Ackerman for £9,000.

TV/Radio

† Indicates programme in black and white

BBC 1

9.00 a.m. Teddy Edward. 9.05 Indoors Outdoors. 9.30 Multi-Coloured Swap Shop. 12.18 p.m. Weather.

12.20 Grandstand: Football Focus (12.25); Badminton (12.55, 1.40, 2.40) John Player All-England Championships; Racing from Chepstow (1.25, 1.55, 2.25); Rugby Union Preview (2.10); Rugby Union (2.30) Wales v. France and at 4.30 England v. Ireland (highlights); 4.40 Final Score including classified football results.

5.10 The New Adventures of Batman.
5.35 News.
5.45 Sport/Regional News.
5.50 Jim'll Fix It.
6.25 Saturday Night at the Movies: "The Egyptian" starring Jean Simmons and Victor Mature.
8.40 The Les Dawson Show.
9.10 Kojak.
10.00 News.
10.10 Match of the Day.
11.10 Saturday Night at the Mill.

All Regions as BBC1 except at the following times:

Wales—8.40 a.m. Indoors Outdoors. 9.05-9.30 Teliffant. 12.00 News and Weather for Wales.

Scotland—4.55-5.10 p.m. Scoreboard. 5.48 Conference 78 (report on the Labour Party debates). 5.55 Join BBC1 London for Jim'll Fix It. 10.10 Sportscene. 10.40-11.10 Songs of Scotland. 12.00 News and Weather for Scotland.

Northern Ireland—5.00-5.10 p.m. Scoreboard. 5.45-5.50 Northern Ireland News. 12.00 News and Weather for Northern Ireland.

BBC 2

7.40 a.m.-1.55 p.m. Open University.
2.05 Horizon.
2.55 Rugby International: England v. Ireland.
4.35 Hit the Note!
†5.05 Saturday Cinema: "Visit to a Small Planet" starring Jerry Lewis.
6.30 Sight and Sound in Concert featuring Gallagher and Lyle (simultaneous with Radio 1 stereo).
7.30 News and Sport
7.45 Network.
8.15 The Book Programme.
8.45 The Lively Arts: Elijah, the story of the writing of the oratorio and a rehearsal.
9.45 M*A*S*H.
10.10 Bertolucci Shoots "1900": the diary of a film.
10.55 Late News on 2.
11.00 Simple Faith?
†11.15 Midnight Movie: "King's Row" starring Anne Sheridan and Robert Cummings.

LONDON

9.00 a.m. Sesame Street. 10.00 Our Show. †11.00 Saturday Cinema: "Orders are Orders" starring Peter Sellers and Sidney James.

12.30 p.m. World of Sport: 12.35 On the Ball; 1.00 International Sports Special (1) Freestyle skiing from Heavenly Valley, California; 1.10 News from ITN; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Lingfield; 1.45, 2.15 and 2.45 from Newcastle; 3.10 International Sports Special (2) Darts—Nations Cup from Wembley; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.

5.05 News from ITN.
5.15 Happy Days.
5.45 Logan's Run.
6.45 Celebrity Squares.
7.30 Enemy at the Door.
8.30 Sale of the Century.
9.00 Within these Walls
10.00 News.
10.15 The South Bank Show presented by Melvyn Bragg with Georges Simenon.
11.15 The Adult Movie: "Staircase" starring Richard Burton and Rex Harrison.
12.50 a.m. Close—Geoffrey Hinsliff reads a poem by the Indian poet, Rabindranath Tagore.

All IBA Regions as London except at the following times:—

ANGLIA

9.00 a.m. Animal Alphabet Parade. 9.10 Cartoon Time. 9.30 Tiswas. 10.20 Funky Phantom. 10.45 Tiswas. 11.25 Valley of the Dinosaurs. 11.55 Tiswas. 5.15 p.m. Celebrity Squares. 6.00 Code R. 7.00 Sale of the Century. 8.30 TV Movie: "The California Kid." 11.15 Within These Walls. 12.15 At the End of the Day.

ATV

9.05 a.m. The Rolf Harris Show. 9.30 Tiswas including Dynomutt, the Dog Wonder and The Lone Ranger. 5.15 p.m. Six Million Dollar Man. 6.15 Havoc. 9.00 The Sweeney. 11.15 The Saturday Suspense Movie: "Death Squad," starring Melvyn Douglas.

BORDER

9.30 a.m. Tiswas, including Dynomutt, The Dog Wonder and the Beachcombers. 5.15 p.m. Logan's Run. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 Film: "Bridger." 11.15 The Outsiders. 12.15 a.m. The Odd Couple.

CHANNEL

12.18 p.m. Puffin's Pla(i)ce. 5.15 Logan's Run. 6.15 Happy Days. 9.00 Police Woman. 11.15 Appointment with Fear: "Circus Horrors"

GRAMPIAN

9.00 a.m. Scene on Saturday, including Birthday Greetings and The Lone Ranger. 9.25 Skippy. 9.50 The Woody Woodpecker Show. 10.25 Woobinda. 10.45 Island of Adventure. 11.30 The Clue Club. 12.00 Captain Scarlet and the Mysterons. 5.15 p.m. Logan's Run, followed by area weather forecast, Highland League and Shinty results. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 Feature Film: "Bridger—the Fortieth Day." 11.15 Within These Walls. 12.15 a.m. Reflections.

GRANADA

9.30 a.m. Tiswas, including 10.20 Dynomutt The Dog Wonder. 10.45 Tiswas. 11.25 Elephant Boy and 11.55 Tiswas. 5.15 p.m. Logan's Run. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 "I Walk the Line," starring Gregory Peck. ... Stars on Ice. †11.45 House of Horror: ... Christopher Lee in "City of the D..."

HTV

9.05 a.m. Build Your Own Boat. 9.30 Tiswas. 10.15 Batman. 10.45 Tiswas (contd.). 11.25 Beachcombers. 11.55 Tiswas (contd.). 5.45 p.m. Celebrity Squares. 6.30 Logan's Run. 9.00 Streets of San Francisco. 11.25 Moynihan.

HTV Cymru/Wales—As HTV General Service except: 5.45 p.m. Cartoontime. 6.00-6.30 Canolfan. 11.15-12.10 a.m. A Change in Mind.

SCOTTISH

9.00 a.m. Toolkit. 9.30 Tiswas, including Winning With Wilkie and Batman. 5.15 p.m. Logan's Run. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. †8.15 Feature Film: "Sea of Sand," starring Richard Attenborough. 11.15 Late Call. 11.20 Danger in Paradise.

SOUTHERN

8.50 a.m. Weekend followed by Regional Weather Forecast. 9.00 Sesame Street. 10.00 Our Show including 11.00 Code R and 11.55 Weekend followed by Regional Weather Forecast and 12.05 p.m. Happy Days. 5.15 Celebrity Squares. 6.00 Six Million Dollar Man. 7.00 Sale of the Century. 8.30 "Deadly Triangle." 11.15 Within These Walls. 12.15 a.m. Southern News.

TYNE TEES

8.55 a.m. Focus on Wildlife. †9.20 Adventure Time: "The Fighting O'Flynn." starring Douglas Fairbanks Jnr. 10.50 You Can Make It. 11.25 Space 1999. 5.15 p.m. Logan's Run. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 "Bridger." 11.15 The Practice. 11.45 Upstairs, Downstairs. 12.40 a.m. Epilogue.

ULSTER

10.10 a.m. The Herbs. 10.20 The Red and The Blue. 10.35 Skippy. 11.00 Survival. 11.30 Sesame Street. 5.00 p.m. Sports Results. 5.15 Logan's Run. 6.15 A Drop in Your Hand. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 "Bridger—the 40th Day." 11.15 Police Woman.

WESTWARD

9.00 a.m. The Beatles. 9.25 The Lost Islands. 9.50 Children's Feature Film: "Arizona Raider," starring Audie Murphy. 11.30 Gus Honeybun's Birthdays. 11.35 Space 1999. 5.15 p.m. Logan's Run. 6.15 Happy Days. 9.00 Police Woman. 11.15 Appointment with Fear: "Circus Horrors," starring Anton Diffring. 12.45 a.m. Faith for Life.

YORKSHIRE

9.00 a.m. The Rolf Harris Show. 9.25 Saturday Scene Action Adventure: "Tarzan Goes to India." 11.00 Funky Phantom. 11.30 Happy Days. 12.00 Calendar Kids. 5.15 p.m. Logan's Run. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 "Bridger." 11.15 The Mary Tyler Moore Show. 11.45 The Outsiders.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 8.06 Ed Stewart with Junior Choice (S). 10.00 Kid Jensen. 12.00 Paul Gambaccini. 1.31 p.m. Rock On (S). 2.30 Alan Freeman (S). 5.31 Alexis Korner's Blues and Soul Show (S). 6.30 Sight and Sound in Concert (S) featuring Gallagher and Lyle (simultaneous with BBC 2 television). 7.30-12.33 a.m. As Radio 2.

VHF Radios 1 and 2—6.00 a.m. With Radio 2. 8.06 With Radio 1. 10.00 With Radio 2. 1.30 p.m. With Radio 1. 7.30-12.03 a.m. With Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Tom Edwards with The Early Show (S) including 8.03 Racing Bulletin. 8.06 As Radio 1. 10.02 Wally Whyton on the Sunnyside of Saturday (S). 12.02 p.m. Two's Best (S). 1.02 The News Huddlines. 1.30-5.55 Sport on 2: Rugby Special (1.30, 2.00, 3.00, 3.50); Football League Special (1.30, 2.10, 2.40, 3.00, 3.50); Badminton (1.30, 2.30, 4.50) plus motor-cycling—news of practice for to-morrow's Venezuelan Grand Prix; 5.00 Sports Report: classified football checks at 5.00 and 5.45. Rugby round-up 5.25; motor sport 5.30. 6.03 Pop Over Europe. 7.02 Would The Last Businessman.... 7.30 Radio 2 Top Tunes (S). 8.00 More Melodies for You, part 1 (S). 8.40 More Melodies for Me (talk by David Jacobs). 9.00 More Melodies for You, part 2. 10.02 Saturday Night with the BBC Radio Orchestra (S). 11.02 Sports Desk. 11.10 Alan Dell with The Saturday Late Show including 12.00 News. 12.31-12.33 a.m. News Summary.

RADIO 3 464m, Stereo & VHF

† Medium Wave only

†7.55 a.m. Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review including Building a Library (S). 10.15 Stereo Release of music by Haydn, Beethoven (S). 10.55 BBC Scottish Symphony Orchestra (S). 12.02 p.m. James Galway presents a personal selection of records (S). 12.55 News. 1.00 Heritage. 1.15 Bizet and Schubert piano recital (S). 2.15 Man of Action: A. Alvarez chooses records (S). 3.35 Music of the Masters (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.40 International Organist (S). 7.30 BBC Welsh Symphony Orchestra concert, part 1: Hoddinott, Sibelius (S). 8.15 Personal View by Rosalyn Higgins. 8.35 Concert, part 2: Brahms (S). 9.25 Ethelred—Unready? (talk by Henry Loyn). 9.45 The Songs of Tuscany (S). 10.15 Mozart (S). 10.30 Music Therapy (talk by Bryce Morrison). 10.45 Sounds Interesting (S). 11.25 News. 11.30-11.35 And Tonight's Schubert Song.

Radio 3 VHF only—6.00-8.00 a.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.30 a.m. News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, programme news (VHF) Regional News. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. ... Weather, programme news (VHF) Regional News. 8.00 News. 8.10 Sport on 4. ... Today's Papers. 8.45 Yesterday in Parliament. 8.55 A Party Political Broadcast by the Conservative Party. 9.00 News. 9.05 International Assignment. 9.30 The Week in Westminster. 9.55 News Stand. †10.15 Daily Service. †10.30 Pick of the Week. †11.20 Time for Verse. †11.30 Science Now. 12.00 News. 12.02 p.m. James Galway (S) (a. Radio 3). †12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 News. 1.15 Any Questions? 2.00 War and Peace. †3.00 News. †3.05 Does He Take Sugar? †3.35 Music of the Masters (as Radio 3). 5.00 Kaleidoscope Encore. 5.30 Week Ending.... †5.55 Weather, programme news (VHF) Regional News. 6.00 News. 6.15 Desert Island Discs. 6.50 Stop the Week with Robert Robinson. 7.30 These You Have Loved (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 On the Town. 11.00 Lighten Our Darkness. 11.15 News.

Open University (VHF only) 9.05 a.m.-12.00 and 2.00-5.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 7.32 Good Fishing. 8.00 News; weather, traffic, shopping, sports news. 8.15 The London Gardener. 8.30 David Kremer with Saturday Scene. 10.30 Sports Scene. 11.30 The Robbie Vincent Saturday Show. 2.00 p.m. Bob Powel with London Country. 4.30 Marjorie Bilbow with Close Up. 5.00 Rail. 6.00-close As Radio 2.

London Broadcasting

261m and 97.3 VHF

6.00 a.m. Morning Music. 7.00 A.M.: Weekend news, reviews, features, sports, with Dickie Arbiter. 10.00 Jellybone. 1.00 p.m. Saturday Sport. 6.00 After 6—Ian Gilchrist looks at a week of oddities. 6.30 Decision Makers. 7.00 Gog Mala: music, information, interviews in Hindustani. 1.00 Saturday Music. 9.00 Nightline. 1.00-5.00 a.m. Night Extra with Hugh Williams.

Capital Radio

194m and 95.8 VHF

6.00 a.m. Kerry Juby's Breakfast Show (S). 9.00 Capital Countdown with Peter Young (S). 12.00 Kenny Everett (S). 2.00 p.m. Afternoon Delight with Duncan Johnson (S). 5.00 Joan Shenton's Person to Person (S). 6.00 Greg Edwards's Soul Spectrum (S). 9.00 Nicky Horne's Mummy's Chart (S). 11.00 Mike Allen's American Dream. 12.00 Mike Allen's Backs at Boogie (S). 2.00 a.m. Peter Young's Night Flight (S).

CHESS SOLUTIONS

Solution to Position No. 207

1 B-Q8 ch, K-N3 (if K-B4; 2 KxP, P-R7; 3 B-B6); 2 N-Q5, P-R7; 3 B-B6! PxB; 4 N-K7 mate.

Solution to Problem No. 207

1 R-Q5 (threat 2 N-N5), KxR; 2 N-N6, or if BxR; 2 N-K5, or if NxN; 2 Q-KN8, or if BxN; 2 Q-N8.

Weekend Choice

AS USUAL the BBC is providing by far the most interesting weekend, starting this afternoon with a choice which promises to drive all rugger fans to distraction: while BBC-1 devotes International Rugby Union to the match we have all been waiting for, Wales v. France, BBC-2 will simultaneously show England v. Ireland. Those without video-cassette recording machines will just have to watch to-morrow's edited highlights in BBC-2s **International Rugby Special** to catch whichever match they miss to-day.

This evening a new series of **Kojak** starts on BBC-1, and shortly after BBC-2 screens an Italian documentary with the self-explanatory title **Bertolucci Shoots "1900"** referring to the controversial and tremendously long feature film which opens in this country soon.

On Sunday BBC-2 leads again with a **World About Us** on bees, written and narrated by Julian Pettifer who entices with the sample statistic that in order to collect a pound of honey one bee would have to fly a distance equal to three orbits of the earth! Later if you fancy your command of French and want to sample a different style of news, BBC-2 uses the Eurovision link to bring British viewers **Télé-Journal** on the French election.—C.D.

هكذا من الأصل

ARTS

EDUCATION

Charles Rosen

BY DAVID MURRAY

Both halves of Charles Rosen's recital for the City Music Society at Goldsmiths' Hall on Thursday night were odd, and not less odd for being peculiar in such different ways. Chopin occupied the first half—a late Nocturne, an early one and the B minor Sonata. As Nicholas Kenyon observed here a few days ago, Rosen is not an emotionally expansive pianist. The B major Nocturne had predictably stern lines, though with the chains of trills it was sublimated—I mean, passed directly from a crystalline state to a vaporous one without ever being liquid. The Nocturne in F sharp sounded a tougher nut, which it shouldn't since it isn't: rather fiercely expounded, and cold.

It is almost unconventional to begin the Sonata at the prescribed "Allegro maestoso," but Rosen did that, and to striking effect—there was even a hint of pomp about it. His heroic effort to keep all the melodic material at about the same pulse was less convincing. There was something grim and unyielding about most of the performance, indeed. The Rondo refused ever to *réculer pour mieux sauter*, and lost impetus thereby; the Scherzo shot past like an unidentifiable missile.

Rosen's playing of Beethoven's "Diabelli" Variations is justly renowned. Most of its virtues were apparent this time, despite some uncharacteristically untidy finger-work—each variation very sharply defined, aided by daringly literal rendition of Beethoven's score (especially with respect to all those rests which more comfortable pianists are happy to pedal through). The strangeness of the performance lay in a rhythmic instability which threatened increasingly, not only in many distorted measures of fast variations, but—most alarmingly—in the grand Largo, where the right-hand line agonised over an accompaniment which virtually abandoned any regular beat. After a hectic Fugue, the closing Tempo di Minuetto sounded prickly and ruffled. There were suggestions of irritable violence throughout. An odd affair, as I said: lurid and fitful illumination.

Brunswick Quartet

BY RONALD CRICHTON

The resident quartet from the University of New Brunswick in Canada is paying a second visit to England. On Thursday, works by Arriaga, Britten and Schubert were given clear, efficient but not very characterful readings to a sadly small audience in the Wigmore Hall. The players have attack and clean, well-matched tone which in the case of the first violin tends to go thin but shuns the heavy vibrato which is a besetting sin of quartet leaders. In the course of Thursday's concert one became increasingly aware that the cellist and violist were the dominating musical personalities. If, as a result, the balance was less even in the second half than earlier, tension was greater.

Higher tension would have been welcome in Britten's Second Quartet (the one with the big Chacony finale), given the place of honour in the programme. The playing, never less than competent and accurate (the concluding, reverberating, percussive C major chords were perfectly timed) was also curiously cold. Perhaps it was over-respectful, too shy of the waywardness and panache inherited by Britten from Purcell, for one of whose anniversary celebrations this work was written.

In Schubert's extremely romantic, nearly unmanageable G major Quartet one began to notice (except again in the two lower strings) a shortage of lyricism. This showed in the shaping of the themes, also in a choice of speeds by no means exaggerated yet rarely sounding inevitable. The "orchestral" effects which used to worry the Schubertian pure in heart were well judged, the finale (though the range of expressiveness and dynamics was not thoroughly enough explored) stayed buoyant to the end. But it was a mistake to leave out the first movement repeat, even if that would have made the concert long. The E flat Quartet of Arriaga at the beginning was nicely done.

St. Mark Passion

BY NICHOLAS KENYON

The obituary of J. S. Bach published by his son C. P. E. Bach and Johann Agricola records that he composed five settings of the Passion: besides the well-known Matthew and John works, three must be lost. The libretto of one more survives, however: that is based on St. Mark's narrative, and the title page tells us it was performed in Leipzig on Good Friday 1731. There is also a clue that much of the music was drawn from the Funeral Ode, BWV 198, and Diethard Hellmann has reconstructed substantial portions of the Passion using that and other models.

Hellmann's version of Bach's St. Mark Passion was published in 1964, and performed for the first time in this country during the following year's English Bach Festival, in Oxford on July 4, 1965. It was therefore wrong of the Epsom Chamber Choir and Orchestra to claim that their account in Holy Trinity, Brompton, on Thursday was the "first public performance in England" of the "recently reconstructed" Passion: but it was a rare occasion, none the less enterprising for not being unique.

As the Evangelist's recitatives are missing, the text was read—sensibly, in English—by Charles Marnham, while the music was sung to the original German. The St. Mark is a heavily chorale-dominated setting: there are 16 such hymns, compared with only 13 in the whole of the St. Matthew. But nearly all the most impressive sections of the music—the first and last choruses plus three arias—are those borrowed from the Funeral Ode: distinctively rich in texture, featuring a pair of viola da gambas, they are equal in power to anything in the cantatas.

The other glory of the work is the alto aria "Falsche Welt," which the Bach scholar Smend showed had been adapted from the cantata "Widerstehe doch der Sünde": full of unprepared dissonances and close imitative writing, it makes a perfect Passion meditation. It was warmly sung by Judith Simmons, and all the solo work—especially that of the soprano Anne Bartlett—had a quality of undemonstrative commitment which served the music well.

Richard Barnes, the conductor, was unobtrusively neat, but he could not quite persuade his small string section to play in tune, and the solemnity of the work sometimes led him to take over-slow tempi in individual movements. This incomplete work will never establish itself alongside Bach's great Passions, but this was a worthy exposition of its claims to occasional performance.

A question of degree

Lord Robbins, whose report initiated the large scale expansion of universities in the sixties comments on the latest Government proposals for higher education.

THE DISCUSSION paper which has been issued by the Department of Education and Science under the title Higher Education into the 1990s is an admirable example of what such a paper should be. It sets forth in a clear and candid manner the problems created by the probable rise in the number of applications for Higher Education in the 1980s and its subsequent decline in the early 1990s; and it makes a valuable contribution to sensible discussion of their solution.

There is one matter, however, on which I must express a certain caveat. From time to time a certain principle is alluded to under my name, the principle namely that courses in Higher Education should be available for all, who are qualified to pursue them and who wish to do so. This, I must protest, involves an omission which mis-represents both my position and that of the committee of which I was chairman. We stated specifically that this principle was subject to an important condition: that is to say that there should be a big increase in the number of students taking broader first degrees as distinct from specialist honours courses. We said that we would not have recommended so large an expansion if this were not so.

Now this requirement has not been met—at least in many universities south of the border. The result has been that many students who would have benefited by broader first degrees, such as they would have had in Scotland and most other parts of the English speaking world, have been swept into intensive honours courses, neither of much use to them professionally nor suitable for inculcating broad based intellectual habits or culture. And this perverse development, at least in the opinion of one member of the Committee in question, has vitiated some of the benefits which university expansion might otherwise have conferred.

Of course no one would deny the desirability of some specialisation at the first degree level. But curricula which introduce into such courses a degree of specialisation which regarded as belonging to the Graduate School and whose admission requirements spread their evil roots down to teaching in the schools, are surely highly undesirable. I hope therefore that discussion of future developments of the shape of our Higher Education will not be inhibited by one-sided and incomplete interpretations of the so-called "Robbins principle."

Thus, for example, I personally would have no quarrel with experimentation with general two-year degrees for some, always provided that they were in fact sufficiently general and not an attempt to force premature specialisation further down the schools and further into the heads of unsuitable students.

There is one further reservation which I have regarding the implicit assumptions of this paper, the assumption that the staff student ratio is something which cannot be discussed any further than 1:10. I confess that when I hear academics and Vice-Chancellors alluding to anything of this sort as virtually inadmissible—destructive of the whole ethos of our universities—I hope they confine their complaints to audiences who do not know what happens abroad, where such a high ratio would often be regarded as a pure luxury. I certainly regard it as a desirable privilege and an advantage. But when I think of some of the best days of institutions I have known personally when the ratio exceeded this figure, I cannot believe that some small adverse shift for a period would be a total disaster. And certainly it would be even less of a disaster if the present deplorable custom of awarding promotion chiefly on the results of excellence in research rather than teaching were to be modified. How many splendid teachers in recent years have become dispirited and discouraged because of this growing disproportionate emphasis.

In my judgment one of the best solutions to the problems posed in this admirable paper would be some introduction of a period of deferment of entry to Higher Education after leaving school. No one who has taught in a university in the period since the Second World War but must be conscious of a virtual watershed in student attitudes — the watershed constituted by the cessation of national service. Before that time, if a young person decided to come to a university, he knew what he wanted and what to expect; and consequently was easier to teach and got more out of it. Since then, with the majority of entrants coming straight up from school, things have tended to alter. Of course there are large numbers where this is not so. But there are also substantial numbers, swept in by fashion or parental influence, who certainly do not know what to expect and who very often spend their time in a state of bemused frustration.

Needless to say such a policy should not apply all along the line. There are subjects, such as mathematics at one end and music at the other, where continuity is essential. The recommendation of no admission before, say, 20 does not (repeat not) apply to Einstein or Mozart! But, in between such limits, from the more mundane scientific and technical subjects through the broad field of the humanities and still more in the so-called social sciences, what teacher is prepared to put his hand on his heart and say that some contact with the real world, either in the fields or factories or offices, before coming up to institutes of Higher Education, would be a crushing disadvantage to the eventual instruction of would-be graduates. Speaking of the subjects which I know at all intimately, I would say that, in most cases, it would be exactly the reverse. The Russians require such delays for ideological reasons which do not greatly appeal to me; and it may be that they carry them too far. But I certainly think that there is room for some change in this direction in our part of the Free World.

Magic carpets

COLLECTING

JUNE FIELD

NO LONGER do catalogues from the major auction houses just refer to "Persian carpet" when it's a specialist sale. Date, condition, design, *provenance* and estimated price are all part of the lot description. An excellent example is the business-like catalogue for the *Fine Islamic Rugs and Carpets* auction which opens Sotheby's series of Islamic sales on Wednesday March 29. (On view from Tuesday until the day before the sale, including Easter Monday between 12 noon and 4 p.m., at 34 and 35 New Bond Street, W.1.). The catalogue is £5.25, worth every penny, but please can we have an index next time, as in paintings catalogues?

Each lot is illustrated, with the condition spelt out, warts and all—going into such detail as whether there are weak warp threads, splits, stains, holes, or if guard stripes have been reduced or a top section rewoven and so on. In case this sounds too depressing, in all fairness I must point out that in most instances condition is good or excellent, considering that the bulk of the pieces are antique, with the highlight of the sale, expected to fetch between £35,000-£45,000, a Mamluk carpet, c1500.

"It is very rare to find carpets of this period in such good condition," says Jack Franses, who became head of Sotheby's carpet department in September, 1976, after he sold his Piccadilly carpet gallery. From a well-known "carpet family" (his father was the late Sidney Franses), and the author of *European and Oriental Rugs for Pleasure and Investment* (John Gifford, 1970), he is responsible for compiling Sotheby's new style catalogues, which he feels have been a contributing factor to the return of confidence in the carpet auction market, particularly by collectors. "We now get many more enquiries from private buyers interested in purchasing carpets for their home. Before they were frightened by the mystique of the whole operation. Price guides help too—from the list in the current catalogue you can see an attractive late 19th century prayer rug or runner could well be bought for under £500, while 16th century decorative fragments are £15-£80. What other antiques could you buy for that money?"

The past year has seen a considerable increase in carpet values. Last season Sotheby's achieved not only a new world auction record for *any* carpet—$200,000 (£118,959), being paid for a 19th century Herez silk carpet at Sotheby Parke Bernet in New York — but also a new world record total for any carpet auction with the £491,982 total for an Oriental carpet sale during their Islamic Week last year.

"But as in all areas of fine art, *quality* rugs and carpets are becoming rare" acknowledges Mr. Franses. "The growth of the carpet auction market dates back to the early 1970s. By 1975, this increase was substantial, partly as a result of the accelerated interest from Middle Eastern buyers and particularly from the Iranians. To-day the cost of living in Iran is increasing at the rate of approximately 36 per cent. per annum, bringing Iranians even faster into the English salerooms.

"The most sought after Islamic carpets are still Persian, both antique and modern, partly because Turkey does not allow re-importation of their own carpets."

The market to-day is a very selective one, and quality and condition of pile are of utmost importance. The vast amount of worn 19th century pieces which have appeared lately should only be considered for decoration, not investment. The only exceptions are the very rare, worn 16th, 17th and early 18th century carpets and rugs which are collectors' pieces in themselves.

"To-day, a Tabriz carpet with 600 knots per square inch costs approximately £700 per square metre. In 1980 this same carpet is projected to cost approximately £2,000 per square metre, which will undoubtedly increase the market value of modern pieces as well as antique rugs and carpets, so it is a 'pocket' to take advantage of."

For further background expertise, there is the splendid (and weighty), *Country Life Book of Rugs and Carpets Of The World*, edited by Ian Bennett. Published last month at £20, it is superbly illustrated, with contributions by Bennett, John Siudmark of Christie's, Isabelle Anscombe, expert on European decorative arts, and Harmer Johnson, former head of Sotheby Park Bernet's ethnographic department in New York. Mr. Bennett's section on the techniques and materials of Oriental carpet weaving, with explanations of construction, tools, knots and dyes, coupled with the excellent glossary of terms, provides an informative guide to the world of carpets scholarship which he readily admits "has an unfortunate tendency to become a morass of conflicting opinions, more likely to confuse the layman than enlighten him."

Mr. Bennett's latest prestigious occupation is editing HALI, a new Oriental carpet quarterly magazine to be published at the end of this month. He tells me it will be a glossy coloured effort rather along the lines of Apollo magazine, but devoted to long in-depth articles on antique and contemporary carpets. It is being marketed by direct mail at £16 a year—for a brochure write HALI, 193a, Shirland Road, London, W.9.

Enthusiastic carpet baggers should not miss the remarkably colourful "Exhibition of Caucasian Rugs" organised by Raymond Bernadout at the Alpine Gallery, 74, South Audley Street, W.1, until March 23. Mr. Bernadout has also produced a scholarly book, *Caucasian Rugs*, which illustrates previously unpublished pieces, which for a limited period can be ordered direct from his gallery, 5, William Street, S.W.1, at £16.50 including postage.

Rare Kashan Silk Art Deco pictorial rug designed by George McManus, depicting a cartoon from the series "Bringing Up Father," estimated to fetch between £10,000-£15,000 in Sotheby's Fine Islamic Rugs and Carpets sale on Wednesday, March 29.

TV Ratings

Week ended March 12

U.K. TOP 20: Viewers (m.)

1. A Sharp Intake of Breath (ATV) 17.55
2. Mind Your Language (LWT) 17.55
3. Goldfinger (ITV) 17.45
4. Mixed Blessings (LWT) 17.40
5. Coronation St. (Mon.) (Granada) 16.95
6. George and Mildred (Thames) 16.60
7. Starsky and Hutch (BBC) 16.55
8. The Professionals (LWT) 16.50
9. Mike Yarwood in Persons (BBC) 16.25
10. Dave Allen (ATV) 16.25
11. Crossroads (Tues.) (ATV) 16.00
12. Coronation St. (Wed.) (Granada) 15.90
13. Robin's Nest (Thames) 15.65
14. Armchair Thriller—A Dog's Ransom (Thurs.) (Thames) 15.35
15. Crossroads (Thurs.) (ATV) 15.15
16. Emmerdale Farm (Tuesday) (Thames) 15.05
17. Armchair Thriller—A Dog's Ransom (Thurs.) (Thames) 14.95
18. Opportunity Knocks (Thames) 14.93
19. This Is Your Life (Thames) 14.90
20. Wilde Alliance (Yorkshire) 14.65

Figures compiled by Audit of Great Britain for the Joint Industrial Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen ratings)

1. Happy Days (comedy) (ABC) 33.6
2. Little House on the Prairie (drama) (NBC) 28.5
3. Three's Company (comedy) (ABC) 27.9
4. M.A.S.H. (comedy) (CBS) 27.9
5. One Day at a Time (drama) (CBS) 26.4
6. 60 Minutes (CBS) 26.1
7. Circus Highlights (NBC) 25.8
8. All in the Family (comedy) (CBS) 23.9
9. Alice (comedy) (CBS) 23.1
10. Love Boat (comedy) (ABC) 22.7

A Nielsen rating is not a numerical total.

FINANCIAL TIMES

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Saturday March 18 1978

Everyone for moderation

BOTH THE Bank of England, in its latest *Bulletin*, and the Organisation for Economic Co-operation and Development, in its latest survey of the U.K. economy, have given their backing this week to the view that the level of unemployment and the amount of spare productive capacity in industry are such as to justify the Chancellor using his Budget (now little more than three weeks off) to stimulate demand. But both are insistent, though for slightly different reasons, that the stimulus should be moderate and the taking-up of idle capacity only gradual. The Bank of England looks at the matter primarily from the point of view of maintaining at least a small balance of payments surplus, the OECD from that of keeping inflation under control. The two are, of course, not entirely different.

Worry about the balance of payments may seem to be less in place now than it was a month ago. In January, to the dismay of the financial markets and the perplexity of the official statisticians, the balance dropped suddenly out of surplus into a large deficit of £234m. In February, it suddenly swung back into a large surplus of £184m. The violence of these fluctuations was only partly due to "lumpy" items like North Sea equipment, ships, aircraft and precious stones: the rest remains unexplained.

Import demand

But two facts still stand out. The first is that, since publication of the full balance of payments analysis for the last quarter of 1977, the Department of Trade has had to revise down its estimate of net earnings from invisibles. In 1976 these averaged £200m. a month, in 1977 £130m.: the present estimate is £100m. — the reduction being partly due to the rise in the sterling exchange rate. The second fact is that imports have been rising quite sharply in volume despite the fact that industrial production, according to the latest figures, is rising scarcely at all. Rising imports of raw materials would be understandable, in view of the expected rise in demand.

It is the rise in imports of finished goods and semi-manufactures, which the Bank describes as "alarmingly" fast, which makes many people—including some Ministers — apprehensive about what might happen if demand were to be stimulated too much. The world trade prospect, after all, is far from cheerful and the prospect for exports uncertain. Industrial investment plans seem to be holding up reasonably well, but the main factor in increased overall demand this year will be personal consumption. This will come about, apart from any tax reductions in the Budget, because earnings are now beginning to rise faster than prices and because reduced fear of *inflation may persuade people* to save a smaller proportion of their earnings. The preliminary estimates suggest that the volume of retail sales in February was well above expectation: retailers generally had expected a lull until after the Budget.

Inflation

The latest earnings figures show an increase on the year of just over 10 per cent. while the increase in retail prices is running at just under 10 per cent. This shows how real purchasing power is already beginning to increase but seems to make OECD fears about inflation exaggerated. There are three points, however, to bear in mind. The first is that many fewer workers than usual have settled so far in the current wage round, and that the real effect of productivity deals cannot be foreseen, so that it is difficult to estimate the final outcome. The second is that the fall in the level of retail prices shows signs of beginning to level out at what is still a very high figure by historical standards.

The third, though the importance of this is arguable, is that the money supply has been rising so far this financial year at a rate well above the Chancellor's target range. And that is true of M3, the particular measure in which his target was expressed; other measures have been rising much faster still. There have been special factors at work which are no longer operative, notably the large inflow of foreign capital and the accompanying drop in interest rates; the increase in the money supply during the latest banking month was small enough to reassure the markets and make it unlikely that the Government would take crisis measures to reach its original target by Budget Day, when a new and more flexible system is likely to be introduced.

But the OECD recommends a moderate fiscal stimulus. The Bank recommends a moderate stimulus, preferably in the form of direct tax cuts. The Prime Minister has told his left wing that their ideas about a stimulus are excessive and that Labour supporters want tax cuts rather than a large increase in public expenditure. There seems to be a certain consensus.

Unreconstructed Keynesian Mr. Michael Blumenthal, U.S. Treasury Secretary (left), rock-ribbed financial conservative Herr Helmut Schmidt, West German Chancellor (right), and Mr. Callaghan, who wants them to agree: but hopes look thin.

A dialogue of the deaf

BY ANTHONY HARRIS

THE PRIME MINISTER'S increasingly urgent calls for an economic summit to co-ordinate policies against recession bear more the mark of despair than of hope. Forecasts of world trade grow gloomier, and against such a background British recovery is bound to be hampered. Sterling is too recently a convalescent to stand the strain of a renewed swing into large deficit on the balance of payments—though in fact this would be quite normal for a country recovering in a world in recession. If we cannot go very much faster than the slowest, it is natural to try to persuade them to speed up.

However, there have been repeated summits aiming to achieve what is generally described as "balanced growth" ever since the onset of recession became evident in 1974, and there is precious little to show for the discussions held and the limited agreements reached. This is in one sense entirely natural, since the balance being sought is a balance between faster real growth and slower inflation—or, in the minds of many governments, between inflation and deflation. In a general recession of money incomes and prices as well as output, it would probably be quite easy to secure international action to solve the problem. An inflationary recession is a different matter. There is no general agreement on how the system works, and as long as this is so, there can be no agreement on what should be done.

Partly this is an international replay, as it were, of the argument between the Keynesians and the monetarists which has been fought out in this country. It is an argument enormously complicated, however, by misunderstandings about the workings of what is theoretically a floating exchange rate system, but is in fact dominated by official intervention in the currency market on a scale never known when exchange rates were fixed and support was obligatory. Finally, the energy upheaval and the great inflation, which have both caused the world to lower its long-term hopes for growth, entail very big structural changes in fast-growing countries like Japan, and in U.S. energy policy. Much of the present disorder is the result of efforts by these two countries to buy time before they have to face difficult and sometimes painful decisions.

Spending less

The Keynesian-monetarist argument is even starker in international than in national terms. The Keynesian position, argued by the U.S. and strongly supported by the OECD secretariat, is based on the idea that the fact that the Arab oil-producers do not spend their whole revenues has created a sizeable hole in world demand. This can only be filled if governments in oil-consuming countries plan for suitable balance of payments deficits; and since ordinary citizens, in face of world uncertainties, are also spending less out of their incomes than before, this means that governments must spend much more than their revenues. Only the U.S. has followed this advice wholeheartedly, and achieved rapid growth and what is sometimes claimed as a heroic deficit. The "locomotive theory" called on Germany and Japan to share this burden; the new "convoy theory" wants nearly everyone to move together, to avoid currency strains.

Every government agrees that faster growth is desirable, but many do not agree that this is the way to achieve it. The more financially conservative countries, which can be lumped together as the monetarists, argue that deficit leads sooner or later to inflation, and will actually make things worse. The U.S., they argue, is not in fact practising what it preaches: the very large Federal Government budget deficit is largely offset by surpluses in the State governments. U.S. growth has very little to do with Government policy (a point supported by the normally Keynesian Brookings Institution). It is a mixture of good luck — large farm crops and abundant raw materials — coupled with relatively high personal spending in relation to income, a housing boom supported by population trends, and a monetary policy which has been much more expansive than the figures show.

If American growth is the result of good luck and financial folly, it is not an example which can or should be followed, according to this argument; and for countries less fortunately placed, the best policy is to give first priority to reducing inflation. As interest rates fall and inflation fears abate, savings will return to a more normal level and investment will recover. The British example seems to support this view: recovery this year will be achieved in spite of — or in the monetarist view, on account of — much tighter Government finances. It is entirely the result of a sharp fall in the rate of inflation, and recovery will continue only as long as inflation continues to fall. This would make a powerful case for anti-inflation policy as the way to achieve growth; but alas for logic, the analysis overlooks North Sea oil. North Sea oil has raised output, strengthened the pound and reduced inflation. The U.K., like the U.S., has relied more on luck than policy.

Monetarist forecasts

The arguments about economic management remains inconclusive then; but it is possible that 1978 will produce some suggestive evidence on one side or the other. In 1974 and 1975 the world recession was much deeper than was generally forecast, mainly because of the strains produced by inflation on personal and company finances. Monetarist forecasts foresaw this trouble more accurately than conventional ones. In 1978 inflation is abating in most countries; if the same logic holds, the actual performance of the world economy this year should be rather better than the gloomy conventional forecasts suggest. If this is so, the determination of the financial conservatives to stick to caution will be greatly reinforced.

However, the world may well be too turbulent a place for any such laboratory demonstration of theory; and the trouble is likely to centre round the persistent weakness of the dollar. Until recently, a devaluation has been a declared objective of U.S. policy. Mr. Michael Blumenthal, the U.S. Treasury Secretary, has been accused of starting the whole crisis by openly talking the dollar down last year. Even now there are suspicions that the Americans would like to see the dollar rather lower for purely trading reasons. Official support for the dollar, with funds provided under swap agreements by the Germans, are designed only to check "disorderly conditions" —namely, a fall so sharp as to start a panic among central banks around the world who hold most of their reserves in dollars. The Administration has yet to say clearly what it thinks the value of the dollar ought to be—one reason for the sour market reaction to the defence measures taken so far.

Here again there are two radically different views of what is happening and the likely results. The U.S. view is that while the trade deficit contributes to world growth by enabling other countries to run surpluses, the decline of the dollar will help to sustain growth in the U.S. by *making* industry more competitive. However, there is something illogical about this combination: if the U.S. is doing a service to the world by providing a market for its exports, it is largely cancelling it out by ensuring that selling to the U.S. is increasingly difficult and unprofitable for its main trading partners, and notably for Japan.

In Japan there is a real fear that if the dollar declines much further against the yen, much of Japanese industry will bankrupt itself in attempting to maintain its position in the U.S. markets on which it so heavily depends. This is to some extent an exaggerated reaction: Japanese industry practises profit-sharing on a large scale, and has a cost structure which responds more readily to pressure on margins than that in other countries. The loss of competitiveness caused by the rise of the yen has been less than would be caused by a similar change in the U.K. and Germany, where wages are rigid. The underlying Japanese crisis is about its internal structure rather than its competitiveness. The slump in investment, which absorbed nearly a third of GNP in the days of fast growth, has left an enormous deficiency in *demand*, and the fact that frightened consumers are now saving more than ever for fear of unemployment makes the recession more obstinate.

The kind of transformation which would balance the Japanese economy—higher social spending to reduce the motive for saving and higher investment in such things as housing —is difficult to contemplate at a time of economic crisis. The immediate aim is to arrest the rise of the yen: hence the extraordinary programme which has been launched under a slogan which could be translated as "import or die." The stockpiling of oil and raw materials, the purchase of aircraft for other countries which cannot afford them, and the energetic efforts of Japanese exporters to fill their ships with foreign goods on the return journey are logical as far as they go, though quite inadequate in scope. Meanwhile, very oddly, the Japanese are beginning to urge the virtues of the yen as a potential reserve currency, perhaps with some idea of prestige or burden-sharing. If they succeed in provoking an investment demand for yen reserves, the value of the yen will rise irresistibly.

Possible to switch

Ironically, the efforts of a series of countries — first ourselves, and now the Germans and the Japanese — to stabilise some desired set of exchange rates by intervening in the market is exactly what has now made them so unstable. When currencies were floating relatively freely, it was quite impossible for any holder of large sums of reserve dollars to consider switching into some other reserve asset, because there would have been no buyers. In the past six months, however, intervention in the markets is estimated to have totalled $59bn., some four times as much as the U.S. current account deficit. The Bank of England, the Bundesbank and the Bank of Japan have thus made it possible for investors to switch out of dollars, and the figures suggest that some central monetary authorities have been among those who have seized the opportunity. As so often in economic policy, measures designed to prevent a crisis have in fact provoked it.

Financial disorder

As a result, the arguments about economic policy for growth which became so acrimonious last year may now be stilled by a more pressing worry: financial disorder. A growing number of bankers and officials are now beginning to argue tha[t] what is urgently required no[w] is not the co-ordination o[f] growth and trade policy, but o[f] *monetary and credit policy; an[d]* for the first time since the co[l]lapse of the Group of 20 in th[e] oil crisis, the Internation[al] Monetary Fund has been tryin[g] to launch a new initiative f[or] international monetary reform based on replacing currenci[es] with a slightly restyled IM[F] reserve asset. A very simp[le] version of the monetarist anal[y]sis of our problems runs li[ke] this: it is no good worryi[ng] about growth policy while o[ur] finances are in chaos. Even [we] may carry this point at the eco[n]omic summit.

Letters to the Editor

Accountancy

From Mr. P. Morgan

Sir,—Mr. Cripps (March 14) is wrong. The financing of local authorities does not need in-depth examination. It has just had such an examination in the Layfield Report, of which Mr. Cripps seems blissfully unaware.

Mr. Cripps is also wrong about accounting standards as a root cause of the problem. (Quite what the "problem" is, he does not say.) There are accounting standards and accepted practices many promoted by the Chartered Institute of Public Finance and Accountancy or enshrined in statute. Admittedly, there is nothing quite like the 8th Schedule to the Companies Act of 1948. But that is totally inadequate in the private sector and has been supplemented by a whole series of accounting standards. So I hardly see his suggestion of emulating the Companies Act as a great step forward—yet I would accept there is room for improvement. Mr. Cripps is also wrong about audits: local authorities already have independent audits.

The CIPFA has a proud record of improving the standards of local authority accounting, as well as acting as a professional institute. Mr. Cripps is wrong to suggest that light is shed too rarely "on the general uses to which specific support grants are put." Specific grants are for specific purposes, for example, police, and their use is always clearly indicated in local authority accounts. Perhaps Mr. Cripps means the "specific use to which *general* support grants are put." But light cannot be shed on this: it could be compared to asking Fords to earmark the total proceeds of sales of Escorts to finance their wage bill. Local authority accounts are no more difficult nor any easier to understand than company accounts.

It is not my experience that councillors betray an ignorance of local authority finance—they are more informed than Mr. Cripps appears to be.

Mr. Cripps is wrong about local government having weak financial controls and therefore having inefficient management. He produces no evidence and merely asserts that to be the case. While there is plenty of room for improvement, I do not think our record is any worse than central government or the *private sector*.

P. G. Morgan,
12 Kilham Lane,
Winchester,
Hants.

Councils

From the Leader,
Kent County Council.

Sir,—I was saddened to see that Mr. Cripps (March 14) used my letter (March 10) as a platform from which to mount a general attack on the financial integrity of local government. Although I could write at length on the issues raised I will, with difficulty, restrict myself to Mr. Cripps' attack on councillors' "ignorance" and "apathy" about the funds we control.

Kent has, as part of its committee structure, two groups of councillors concerned with the "problems" which Mr. Cripps identified. The finance group is concerned with budgeting and accounts; this group has in its membership three chartered accountants, one barrister with wide industrial experience and a professional economist/financial adviser along with many others who are able to apply the skills acquired in successfully running their own business to the guardianship of public funds. We also have a performance review group, which strives to fulfil the expense justification analysis and the philosophy of zero based budgeting which Mr. Cripps commends to us. They are, however, sufficiently practical to take into account the effects of inflation. In this group we have, amongst others, four accountants and a master in business administration.

Ignorance and apathy among councillors are certainly not problems in Kent, nor, I feel sure, in the majority of other local authorities who are able to attract councillors of this calibre. I would accept, however, that there is a shortage of the right sort of councillor in some areas. Local government needs industry and commerce to release its able young managers for service as councillors. Only when this is done on a wide scale can we fully dispel the inaccuracies propounded by Mr. Cripps.

John D. Grugeon.
County Hall.
Maidstone, Kent.

Ventilating

From the Commercial Secretary,
Heating and Ventilating
Contractors' Association.

Sir,—I feel that I must correct the report (March 14) regarding an "agreement on a new code of practice" between contractors and manufacturers in the heating and ventilating industry. We are not drafting a single code of practice or agreement, neither is it our intention to agree with the Heating, Ventilating and Air Conditioning Association "a systematic framework for pricing."

The Heating and Ventilating Contractors' Association and the HEVAC Association have, over the last 12 months or so been discussing a number of matters which in the past have created difficulties in the contractual relationship between the supplier and the contractor in our industry. In particular, recent *discussions have included* problems associated with manufacturers' conditions of sale; reservation of title (ownership) clauses and the use of a formula method to adjust for fluctuations in price. It is the drafting of statements or joint guidance on those three separate issues which will hopefully be concluded during the autumn of 1978.

The proposed joint guidance on the use of formula methods for price adjustment has nothing to do with a "systematic framework for pricing" and will simply explain the way in which the recognised method of formula price adjustment used on certain heating, ventilating and air conditioning contracts could be extended to sub-sub-contracts involving the supply and installation of specialist control systems.

Naturally, in drafting any joint statement or guidance document, we would be careful not to transgress restrictive trade practices legislation. We will liaise with the Office of Fair Trading and it may be necessary to register certain of the documents.

R. J. Higgs.
ESCA House, 34 Palace Court,
Bayswater, W.2.

Railwaymen

From Mr. R. Bishop.

Sir,—Once again we have to watch a dispute between the two major unions in British Rail, the National Union of Railwaymen and the Associated Society of Locomotive Engineers and Firemen.

It should not be beyond the wit of those in Parliament to draft a Bill which will dissolve the various unions at present representing the different sections of railwaymen, and instate in their place one union to which all members of the railway work force should belong.

In these circumstances Mr. Weighell and Mr. Buckton both of whom have rendered signal service to the railways and the nation, could gracefully retire, and make way for a new leader, uninhibited by the passions of the past, and dedicated to progress in the future.

R. I. Bishop.
St. Mary's Hartfield, Sussex.

Land

From Mr. M. Brady

Sir,—Mr. Grinham's recognition (March 8) that "if land is held out of use, an income (rent) is foregone" is somewhat less than convincing since four lines later he informs us that "there is thus no penalty on holding land out of use." Although any particular site may be regarded as existing for all time, a variety of factors may render it less attractive, so reducing its rentable value. This fall in real value may be concealed by an increase in its money value during a period of inflation. What has not been explained is how the individual landowner can raise his future rent by persistently withholding his land from the market.

We are informed that "'ownership' and control would remain as now" yet who would want a legal title to an asset the entire income from which would accrue to the state? In view of his earlier declaration that the ownership of land by individual people "cannot be justified at all" perhaps Mr. Grinham would be prepared to recognise the hollow sham of such *de jure* ownership. Henry George himself admitted that the single tax would be tantamount to the virtual nationalisation of the land when he wrote that it would "accomplish the same thing in a simpler, easier, and quieter way" (*Progress and Poverty*, page 404). George's method, however, would be neither simple, easy, nor quiet!

Under 100 per cent. land value taxation and with the assessment "based on rents actually passing," *de jure* owners would be encouraged either to occupy the land themselves or to charge no rent or to keep it idle! Your correspondents stress how essential land is to human existence yet their proposal would result in locational chaos, with waste and misallocation everywhere. And the single tax, far from supplying all the revenue of government, would yield no revenue at all!

Mark Brady.
3 Elmdene Court,
Constitution Hill, Woking,
Surrey.

Managers

From Mr. J. Appleyard.

Sir,—There is a distinction between making representation on behalf of the corporate membership of management and acting as representative of the manager's interests. Mr. Roy Close (March 15) regrettably seems to ignore this vital point raised by Mr. Jason Crisp in his article "Is the BIM managing to make itself heard" (March 10). What matters to the individual manager who is member of the BIM is surely whether the "cross-section of managers of all levels" on their council are put there by the corporate or the individual professional manager.

The message is clear: managers increasingly want to be represented collectively, to belong to a union. There are a number of good reasons for this, such as the erosion of differentials, for job security and a need to ensure a "say" in decision-making. The important question is how and by whom do managers want to be represented. What options are there for the British manager? They are certainly not those of their Continental counterparts. Some 300,000 French managers belong to a management union, the Confédération Générale des Cadres, in existence since the 1930s, which negotiates at national level with employers and the Government along with the general trade unions. Some 200,000 other French managers, however, prefer to join managerial sections of the general trade unions.

Will such a choice ever be possible for the British manager? The BIM clearly does not intend to become a CGC. British managers can either group together to form a house union in a company jointly negotiating with the employer or they can join the Association of Scientific, Technical and Managerial Staffs, various managerial sections of other unions or professional and technical trade unions. In short there is no unified voice negotiating on behalf of the manager.

J. R. Appleyard
12 Vicarage Road,
Teddington, Middlesex.

Petroleum

From Mr. M. Quinlan

Sir,—The article on Nigeria in your construction survey (March 14), states that "a cutback imposed by the Organisation of Petroleum Exporting Countries" is responsible for Nigeria's declining oil production. This is not so. Production has been cut by agreement between the producing companies and the Government in direct response to the declining market for Nigeria's oil, itself a reflection of reduced demand in the U.S. together with greatly increased output of light crudes from non-OPEC sources such as the North Sea (as you state).

Nigeria has proposed a system of voluntary production cuts to the other North African OPEC producers, but there is no indication that they will agree to this and in that event Nigeria's output will fall to about 1.6m. barrels/day as she bears the brunt of the surplus on her own.

Martin J. Quinlan,
207 Daniells,
Welwyn Garden City,
Hertfordshire.

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Banks home in on the building societies

BY MICHAEL BLANDEN

E VIGOROUS complaints of London clearing banks ut the competition of the lding societies made in their ent letter to the Bank of gland can hardly be expected produce rapid practical ilts. The reduction or noval of the fiscal privileges oyed by the societies would a major political move which or any other government ild be unlikely to undertake itly. In any case, it is far n clear that it would make a iificant difference to the comitive balance between the sectors.

levertheless, the banks' move come at a particularly senve time for the building ieties, and has provided a ding point of consuming erest at their recent meets. It hit them just as they e engaged in debating the s and cons of accepting the ernment's plan to impose trols on their lending or of osing to ignore them and ning the risk of more fundaital intervention in their ivities. They may come to lise, however, that they have n singled out for attack tly because they provide a ivenient peg for the banks to ig their case in a much ler debate.

he banks' move is symptotic of their present sensity to anything they regard approaching unfair competi1 for business at a time when y are faced with a number important and inter-related blems of their own. Their irrel with the building ieties has to be seen in the itext of the final evidence ich the banks have been paring for the Wilson Comtee on the financial institus. This is expected to be plished around Easter, and l certainly go into much ater depth in discussing the ole structure of the financial tem than was possible in the liminary submissions last r.

hese issues, in turn, cannot separated from the wider blems about the future wth and role of the banking tem, arising at a time when banks' activities are the ject of an unusual amount public scrutiny. Besides the lson investigations, senior cutives of the banks have n spending a great deal of e on the examination of ir money transmission seres now being carried out by Price Commission. This could imply higher charges for some customers.

It may also be significant for the development of the increasingly expensive branch networks of the banks at a time when two of the big four—Barclays and Midland — are studying various ways of reducing the burden of their costs.

The building society question can also be linked with the planned creation of a deposit protection fund for banks and deposit-taking institutions, a point which has caused considerable argument. Finally, in the background there remains the dormant issue of nationalisation, at present submerged by events but likely to be raised at any time when, for example, the banks appear to be making what can be regarded by their political opponents as excessive profits.

Warning signs

The timing of the attack on the building societies appears to have come as something of a surprise to some of the society chiefs themselves, though there have been plenty of warning signs. The relative decline of the clearing banks in relation to other deposit-taking institutions is by no means a recent event. There has been a long-term trend since the last war for their share of the available savings to slip.

The figures which the London clearing banks published in their own evidence to Wilson last year showed, for example, that their proportion of total funds deposited by U.K. residents declined from 45.1 per cent. in 1962 to 31.1 per cent. in 1976, in spite of substantial growth in total deposits. The beneficiaries included the other banks in the U.K.—apart from London, Scottish and Northern Ireland clearers — which pushed their share up from 2.5 per cent. to 12.1 per cent.

But the outstanding performance was that of the building societies. Starting with less than half of the clearing bank deposits in 1962, and holding only 20 per cent. of the total, the societies had by the end of 1976 considerably bigger funds than the London clearers and 37.6 per cent. of the total.

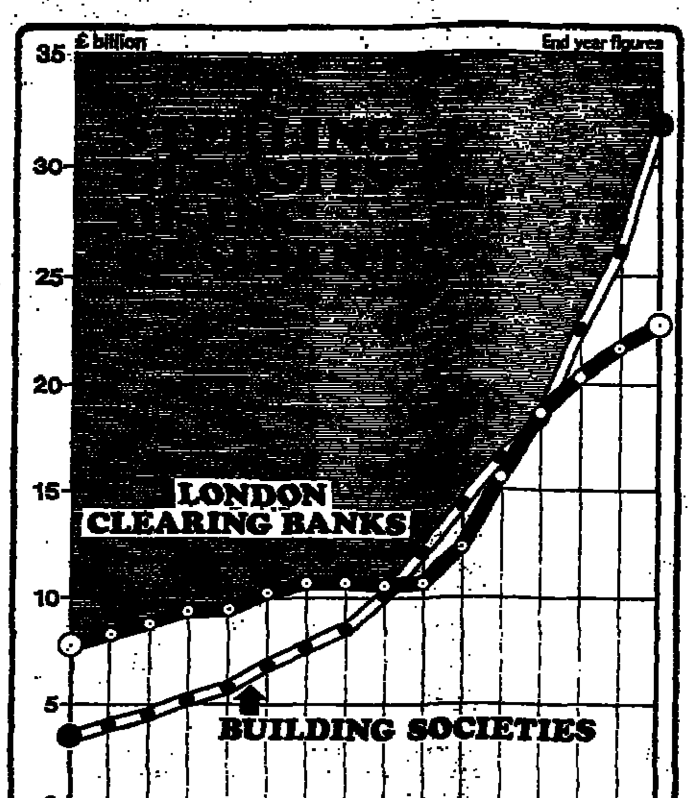
Resentment among bankers seems to have come into the open, however, in the particular circumstances of the past year. A sharp falling general level of interest rates, coupled with the slower reaction of the societies in reducing their own interest rates to depositors, left the banks blatantly uncompetitive for funds. They remember well enough that less than five years ago the interest they could pay on small deposits was officially restricted in order to protect the building societies. During recent months they have suffered a modest continuing drain of funds to the societies as well as to other savings outlets.

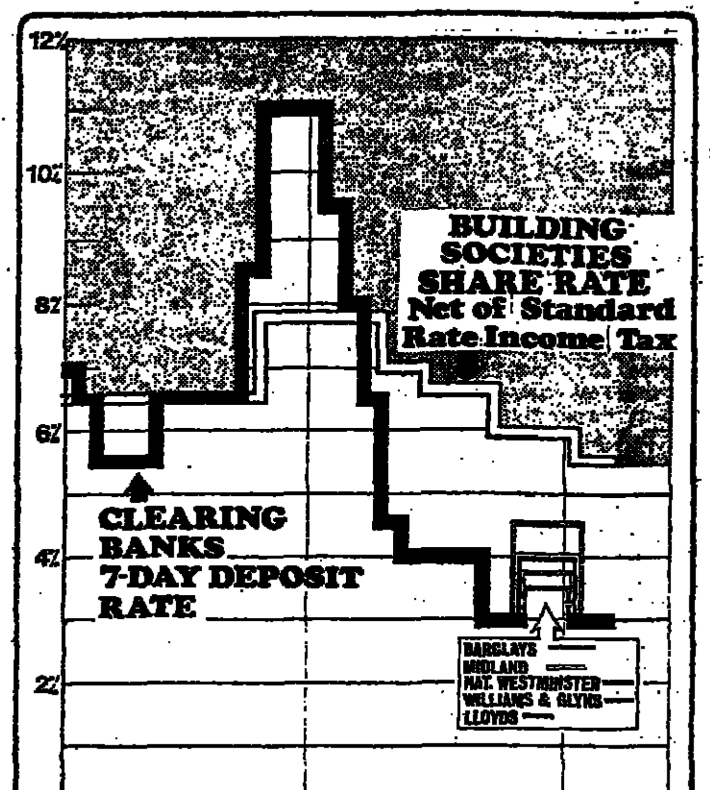
Their worry may therefore be that the disparities in rates in the past months will accelerate the long-term trend and underline the growing financial sophistication of their customers and their awareness of comparative returns which has been one of the main factors in the switching of funds. The issue has arisen at a time when the banks have not been enjoying much profit growth in their domestic operations, in spite of the considerable improvements in their overall performance, and when they have been looking closely at the viability of their own branches.

The branch networks are vital to the banks' operations, for without them they would lose what is still the major source of deposit funds to support their lending. But the sharp rises in overhead costs in recent years have meant that those funds no longer look as profitable as they used to be, while it has become apparent that the branch development in this country became overblown after the war. National Westminster is one big bank which, after its merger, has already been through an extensive programme of branch rationalisation, while Lloyds perhaps never joined in the expansion period with the same enthusiasm as others.

Experimenting

Midland, however, is now experimenting in a number of areas with ways of improving the situation by concentrating some specialised services and administrative work in area offices while leaving other branches to provide a basic service to customers — a development, though the bank dislikes the phrase, of a concept which used to be known as "satellite banking." Barclays has undertaken a fundamental review of its whole system which, though it now seems likely to involve rather fewer than the 600 branches originally estimated, will certainly in time bring closures and restructuring in many areas.





While this is going on, the banks see the building societies expanding their branch networks rapidly and, without the burden of expensive cheque and money transmission services, offering cash deposit and withdrawal facilities on the basis of much lower overheads. This is one reason for the importance attached to the Price Commission examination.

Encouraged by the favourable outcome of the specific investigation into Barclays proposed increased charges for services to certain nationalised industries, the banks hope that the general review will enable them to put up a case for a more rational distribution of their charges. This will undoubtedly involve substantial increases in some areas such as cheque and cash movements where the costs are high and not matched by present commission rates.

The building societies are not truly in the banking business, show no general inclination to take on the burden of the extra services they would have to offer to become involved, and would almost certainly be prevented from doing so by the authorities. But in one area—the deposit and withdrawal of cash which is also an important part of the service provided by the banks—they do overlap; and with longer hours, including Saturday opening, are able to offer in some ways a better service.

Moreover, the problem of the banks does not arise only out of the swings in the general level of interest rates, but more significantly out of their own overhead costs. This is why the issue of the fiscal advantages enjoyed by the building societies, which forms one of the legs of the banks' argument, on its own looks less important than the banks make out. It is true that the societies are able to offer a rate to depositors which, in relation to what they charge their borrowers partly reflects the fiscal benefits of the composite tax rate.

Building society interest is paid net of the basic tax rate of 34 per cent. but the societies themselves pay a lower rate, currently 24.25 per cent., which reflects the fact that not all their investors pay tax. A case can be made for changing this system, if only because of the injustice which it does to low tax-paying investors with the societies. But the effect its removal would have on the ability of the societies to pay attractive rates would be a long way from eliminating their present advantage over the banks.

BUILDING SOCIETY'S TAX ADVANTAGE

	Building Society Ordinary Share Rate	Bank Deposit Rate	Building Society Advantage percentage points
AT PRESENT			
Before Tax	8.3%	3%	
After Tax*	5.5%	2%	3.5
WITH FISCAL PARITY			
Before Tax	7.3%	3%	
After Tax*	4.8%	2%	2.8

Source: Provincial Building Society

This is not, however, the only point which the banks appear to be raising. They are also concerned that while they are subject to a number of liquidity and reserve ratios imposed by the authorities under their monetary controls, which have the effect of raising their costs, the societies escape this burden. In reply, the societies point out that they themselves have to keep a substantial proportion of their funds in liquid form and that some of these may earn a lower return than they would get from mortgages.

The banks may also be using this issue to draw attention to their grudge against the deposit protection fund which the Government plans in order to protect small depositors in banks and other institutions from any difficulties in the financial system. It is clear that this will be included in the legislation to introduce the proposed new supervisory arrangements, and that in order to make it credible the big clearing banks will have to put up the bulk of the money required. The building societies are excluded, along with the Giro and National Savings, on the grounds that they are subject to separate supervision and have their own arrangements to rescue anybody who gets into trouble.

In a number of ways, therefore, the banks' attack on the building society movement must be seen as linked to a much wider range of issues and problems with which they are at present concerned. It may be that they are using this example to bring home a number of general points which they want to draw to the attention of the authorities and the public. But the most fundamental issue of all goes right to the heart of the questions which have been examined by the Wilson Committee on the provision of finance for industry and the structure of the savings market.

Neutrality

The question of the fiscal benefits enjoyed by various sectors was discussed at some length in the banks' initial submission last July. They drew attention to the advantages enjoyed by the national savings movement, the building societies and the life assurance companies in competing for deposits, and called for "an overhaul of the whole range of controls, regulations, incentives and subsidies applied to different types of financial institution." In particular, the banks said, they would urge strongly "a policy of fiscal neutrality towards all types of saving, with incentives applied either universally or not at all."

It is a fair bet that this theme will be developed when the banks publish their final evidence to Wilson, in which they are expected to take a much broader view than was possible under the limited brief of the Committee's first stage. If banks are to be asked to take on a further substantial increase in their provision of medium-term funds to industry, coupled with closer involvement with their customers, they may well want to promote the point that they will themselves need access to medium-term funds.

At present, they may argue, their ability to compete in the savings market is limited. In the final analysis, therefore, the debate involves not only the future of the banking system itself, but the historical development of the market for private savings and questions which can be answered only by a fundamental political decision to give the banks a better share of available resources.

Weekend Brief

...etlands ...volved

e survey commissioned by tland Islands council into constitutional options open t if the electors reject devoon will be published on ril 5—about a month later n expected.

ast year the council roached the Nevis Institute, Edinburgh-based think-tank anisation, headed by Lord brandon, to produce a runwn on all the options open he islands turned down the olution in the referendum.

he 50,000 word Nevis report ow with the printers. The l draft was passed by the titute last week, but none of islands' 22 elected councilhas seen the report yet. The uments will go to full counfor its meeting on April 24. ore that it will almost cerily be considered by the sixng devolution committee of ncillors which meets on rage twice weekly.

nce commissioning the sur, the council has been partly taken by events in the Coms. Mr. Jo Grimond, Liberal for Orkney and Shetland aged to get inserted into the land Bill at committee stage d against the Government's es—a clause stating that if er group of islands voted in the devolution referen1. then a Royal Commission ild be set up to consider r future constitutional role.

he Nevis undertaking was one time heavily criticised ho Shetland Islands because ts cost. First estimate was 000 but this was scaled n to £43,000 when the ncil modified the brief.

he original was to have the constitutional options nined; these would have idered not only the practities of independence but the consequences of associwith Norway. Shetland was l 1468 part of Norway. That of thought was eventually out.

hatever the report says, it embarrass the Government. Bruce Millan, Scottish retary, has fought hard to Shetland within the con of a devolved Scotland. If tland were to pursue a goone course, pressure from Scottish National Party on Government would become e intense.

Last month he told the council he doubted if any Royal Commission could discover a solution acceptable to all sides.

Queens together

THE QE2 docked in Hong Kong harbour this week, disgorged several hundred of its passengers for a side trip into China, and completed an unusual trio. Berthed beside the Cunarder has been the P. and O. rival flagship, the Canberra, the two of them the biggest passenger ships currently in operation. But not far from them rested the ghost of liners past—the last remains of the original Queen Elizabeth.

Most of the Elizabeth's 83,000 ton bulk has now been removed by Korean divers from Hong Kong's murky waters, but some 15,000 tons of it remains buried in the mud. The salvage men working on the wreck of the ship which sank after a fire started by arsonists in 1972 are to level off the remains to seabed level and then give up. To get the last pieces out would be far too expensive a job.

When the harbour mud finally covers the last piece of metal over the QE I next month the question of "whodunnit" will still remain. Although the sinking of the ship which had been renamed the Seawise University was found to be deliberate, no one has yet got round to naming names. Meanwhile, however, the ship's demise has proved not to be all bad news. Hong Kong found itself with a huge quantity of prime steel dumped literally on the doorstep. The QE I's bulk has been reconstituted as steel reinforcement for use in Hong Kong's booming building industry. At least that means there is something British in the tower blocks rising apace in the colony. Local officials and businessmen complain that the U.K., with some exceptions, has not shown much enthusiasm to sell to the construction industry here.

Contented cows

A new future for the cow population is on the way. Colman and Co. the Sudbury, Suffolk-based firm, importing and marketing agricultural equipment, announce that they are to distribute a new product from Denmark. The manufacturers are Strangko and the product is a cow brush.

Strangko claim that a contented animal will produce more milk and one of the problems that exists is that enormous numbers of parasites breed on livestock and the cow brush affords great relief. Cows have been seen to actually line up to use the brush and Danish farmers are claiming an increase in their milk yields as a result of this innovation.

The gooming element is also extremely important for pedigree breeders as many hours have to be spent before showing pedigree animals in terms of hand-grooming. The Strangko Cow Brush does an extremely effective job in this context and particularly where stock is held in cubicle stalls and where manual grooming may prove to be difficult.

The brushes rotate slowly, at the rate of 50 r.p.m.—powered by a 1 hp motor. The cow moves in under the machine and is combed all over. Who was it who said they had milk from contented cows?

Media moves

The ITV contractors, as well as broad sections of the national and provincial Press, enjoyed a boom year for advertising last year. And the boom rolls on. Indeed, ITV is at present enjoying what The Media Department, an independent media-buying company based in Covent Garden, describes as one of the longest periods of sustained buoyancy since it first achieved national coverage.

Last year, British advertisers spent a net £300m. on televised airtime, a 30 per cent. gain on 1976, and the boom's momentum showed no of flagging in the first month of this year with a 35 per cent. spurt.

One of the main reasons for last year's television bonanza was a rise in TV advertising rates that averaged approximately 20 per cent., although the Price Commission is now reportedly taking a belated look at the effect on advertisers' costs of the contractors' premium rates and pre-empt structures—what The Media Department calls the sort of fancy footwork that has hitherto allowed the contractors to increase the revenue potential of their rate cards by much larger amounts than alterations in the basic rates would suggest.

But in addition to the rate card increases, British business is anyway at present in the process of beefing-up its advertising-to-sales ratios as the economy stirs to life. On television at the moment, for example, there is a confectionery war waging, with Cadbury, Rowntree Mackintosh and Mars leading the way. There is also a partworks battle in progress, and something of a slugging match in razors and records.

In addition, considerable sums are being spent by advertisers who are new or relatively new to television advertising, such as the airlines and the film companies, while the sums being spent on corporate and financial advertising (including those spent by the banks and the building societies) are also substantial.

What the TV companies — and most advertisers — would like, of course, is a substantial increase in the supply of useable commercial airtime to help take the heat out of the contractors' advertising rate cards, which is why the White Paper on the Annan Committee's report on the future of broadcasting, now due around the end of this month or early in April, is so eagerly awaited.

Until recently there appeared to be very little support anywhere for an Annan-like Open Broadcasting Authority to handle a fourth television channel — most assumed it would be given to ITV—but recent reports have suggested there are a number of Ministers in favour of Annan's recommendation.

However, in the first instance the White Paper seems bound to buy more time by extending yet again the Broadcasting Acts and the ITV contracts by at least another year beyond their present date of termination, which is next July. This doesn't mean that the IBA may not feel the urge to flex its muscles by sacking one of the present contractors *pour encourager les autres.*

It last did this in 1968 when the Wales and West contract was withdrawn from TWW and given to Harlech. According to some media specialists, the likeliest candidate for the chop would be London Weekend Television, whose programming has hardly shone and which is said to be far from popular with the smaller stations who are forced to take large chunks of it.

"However," says The Media Department, "an extension of the present contracts will give vulnerable contractors a breathing space to pick up a few brownie points before the end of term. Perhaps it is not entirely coincidental that LWT's latest annual report announced that more than £2m. has been earmarked for new investment in programmes and studio equipment.

"The danger in all this is, of course, that in their anxiety to impress the powers that be, the contractors will come up with another bunch of worthy but dull programmes like those intended to impress the Annan Committee in the autumn of 1976, which resulted in a disastrous slump in ITV's share of audience."

A slump in ratings, of course, would be grievous bad news for the advertisers who are at present paying so grandly to get their products on to the box.

We shall just have to wait and see.

CONTRIBUTORS

Anthony Moreton
Arthur Sandles
Michael Thompson-Noel

Economic Diary

TO-DAY — Prime Minister addresses Labour Party Scottish Council conference, Dunoon.

SUNDAY — National Savings monthly progress report (Feb.).

MONDAY—Teachers' employers representatives discuss pay offer. EEC Finance Ministers meet, Brussels. NUM Yorkshire Area Council annual meeting, Barnsley. Statement by Lord Home on Conservative Party Committee plan for reform of House of Lords. TUC Finance and General Purposes Committee meets. National Food Survey report on consumption (fourth quarter). New construction orders (Jan.). Gross domestic product (fourth quarter—provisional).

TUESDAY — Unemployment figures (March—provisional). Mr. John Silkin, Agriculture Minister, addresses Guild of Agricultural Journalists, International Press Centre, E.C.4. Car and commercial vehicle production (Feb.—final).

WEDNESDAY—House of Commons debates Windscale inquiry report. Rail pay talks resume. TUC General Council meets. Labour Party National Executive Committee meets. Report on health and safety in the construction industry. Bricks and cement production (Feb.), Capital expenditure by the manufacturing, distributive and service industries (fourth quarter—rev.). Manufacturers' and distributors' stocks (fourth quarter—rev.).

THURSDAY — Prime Minister leaves for Washington talks on world economy. Parliament rises for Easter recess. New vehicle registrations (Feb.). Sales and orders in the engineering industries (Dec.). Finished steel consumption and stock changes (fourth quarter—final).

FRIDAY—Young Liberals conference opens, Southport.

SATURDAY—National Union of Teachers conference opens, Blackpool. Labour Party Young Socialists conference opens, Llandudno.

COMPANY NEWS + COMMENT

Earnings doubled at Morgan Grenfell

NET PROFIT for 1977 of Morgan Grenfell Holdings, the banking and finance group, rose from a revised £2.85m. to £5.45m. after tax and transfers to inner reserves of banking subsidiaries.

The directors say that having regard to the size of existing inner reserves they have decided to adopt a policy of disclosing a greater proportion of profits. Results for 1977 are on the revised basis and profit for 1976 has been adjusted from £2.5m. accordingly.

Stated earnings on increased capital from a one-for-four scrip issue are doubled at 43.5p per £1 share compared with 21.5p reflecting the unusually favourable circumstances in financial markets which obtained during most of the year, as well as underlying growth in many aspects of the group's business.

The dividend is stepped up from an adjusted 4.68p to 5.23p with a final of 2.73p net. Over the year the group balance-sheet total increased from £699m. to £863m. and shareholders' funds were up from £25.3m. to £31.4m., which included items credited to reserves £1.5m.

Morgan Grenfell is a public but unlisted company.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Sidney Banks ......int.	1.25	May 19	1.1	—	3.6
Church & Co.	2.7	—	2.42	3.37	3.02
Hall Eng.	2.21	May 5	*1.98	4.43	*3.99
Hamilbourne	0.67	Apr. 15	0.97	1.67	1.48
Morgan Grenfell	2.73	—	*2.63	5.23	*4.68
Noble & Lund	0.54	—	0.5	0.77	0.7
Silkolene ......2nd int.	1.44	Apr. 27	1.4	2.19	2
Tyzack & Turner ......int.	1.25	Apr. 2	0.63	—	1.88

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Noble & Lund declines

Reflecting the abolition of the Regional Employment Premium, taxable profit of Noble and Lund, the engineering and machine tool making group, fell from £245,868 to £216,292 for 1977, after a midway rise to £93,400 against £75,885. Group turnover for the year was higher at £2.02m. (£1.86m.).

After a difficult year's trading, the directors see no immediate change in the market for the type of machine tools that the company manufactures.

Earnings per 10p share are shown down from 2.19p to 1.83p and the total dividend is stepped up to 0.77p (0.7p) net, with a 0.539p final.

Profit was after writing off goodwill and patents amounting to £14,716, but before tax of £111,703 (£135,791).

Hamilbourne finishes at £153,040

Despite a second half downturn of £30,739 to £48,993 Hamilbourne finished 1977 with taxable profits of £153,040 compared with £87,474 for 1976. Profit in the first half was boosted by the surplus on sale of the company's holding in Reed and Mallik to give a lead of £96,305 at £104,047.

Earnings per 12½p share are shown as 6.37p (3.39p) and the dividend is increased to 1.6846p (1.4849p) with a final of 0.6697p net. Tax for the year took £53,249 (£27,423) leaving a net profit of £99,791 (£60,051).

R. Clay's record profits

An advance in second half profit from £759,296 to £870,108 enabled Richard Clay and Company, the book printing and binding group, to finish 1977 with a record pre-tax figure of £1,638,172 compared with £1,143,738 for the previous year. Turnover increased to £9.38m. against £7.44m.

At the interim stage, the directors said that subject to there being no marked change in the level of activity in the last quarter, and to the company's continued ability to contain cost increases, second half results should be similar to those of the first period.

In yesterday's report, second half profit was shown at £510,108 due to an agency error.

Sound base at W. L. Pawson

In his annual statement Mr. S. J. Wootliff, chairman of W. L. Pawson and Son, ladies' clothes manufacturer, says that he believes that the group is now soundly constituted and that the future will prove fruitful.

The group's factories are well placed to take full advantage of any upswing in demand, he adds.

As reported on March 9, the pre-tax loss for the year to December 19, 1977, was cut from £139,286 to £4,900 and the company returned to the dividend list with a payment of 0.25p net.

On October 21 the group's Halifax factory was closed. The freehold premises have been sold at a figure in excess of book value.

The successful rights issue last November had the effect of reducing group borrowings in relation to shareholders' equity, thereby creating an "excellent" base for expansion. The directors believe that the current structure of financing leaves scope for further acquisition and they will review opportunities as they arise.

The closure of the Halifax factory facilitated a decision by the directors to approve a programme of capital expenditure on plant and buildings of the group's Washington factory. During the course of the current year this will be almost totally re-equipped with the most up-to-date machinery available.

Meeting, Halifax, on April 11, at noon.

Slowdown at Silkolene Lubricants

After reporting a sharp rise in first-half pre-tax profit to £492,000 against £187,000, the directors of Silkolene Lubricants now warn that this level was not sustained in the later months of 1977. However, they expect that final results will show a marginal improvement over 1976, when a surplus of £775,081 was recorded.

A second interim dividend of 1.4436p net raises the total to the maximum permitted 2.1936p, compared with 1.996704p last time which included a special 0.032704p on the reduction of ACT.

Full-year results will be announced on April 13.

Midterm rise for Berry Trust

Gross income of Berry Trust for the half year to February 28, 1978, rose from £295,248 to £323,452 and after interest and expenses of £241,340 against £260,085 and tax of £29,164 compared with £22,330 net profit was up from £12,833 to £52,948.

Earnings are shown as 0.35p per 25p share compared with 0.08p and the directors forecast a dividend for the year of not less than the 0.875p net for 1976-77 year, which was paid from net profits of £138,265. Net asset value per share *is* shown as 72p (70p).

Mr. Richard Hall, chairman of Hall Engineering.

Sidney Banks just ahead in first half

ON TURNOVER of £21m. against £20.56m. pre-tax profits of Sidney C. Banks, grain merchant and seed specialist, were up slightly from £414,000 to £425,000 for the six months to November 30, 1977. Including £7,000 (nil) from the associate company King's Lynn Silos.

The directors say they expect that the group's full year results will be similar to last year's when profits reached a record £625,000.

After higher tax of £182,000 (£113,000), stated earnings per 25p share are down from 9.9p to 8p. The interim dividend is increased to 1.25p (1.1p) net with waivers on 1,400,979 shares—last year's final was 2.5p. The six-month figures are based on the ED 19 accounting basis and comparatives have been adjusted accordingly.

The directors look on the results as satisfactory having regard to this year's later harvest *which restricted the period for* active grain trading, and the excellent conditions for autumn seed sowing which increased sales of seed grain during the period.

The East coast floods in January created serious difficulties for the group's export trade at Kings Lynn silos, they add.

	Six months 1977 £000	1976 £000
Turnover	21,013	20,559
Cost of sales†	20,606	20,161
Interest receivable	6	17
Share of assoc.	7	—
Pre-tax profit	425	414
Tax	182	113
Attributable	243	301

† Includes depreciation £67,000 (£36,000).

● **comment**

First-half profits of Sidney Banks are only marginally higher and the full year forecast implies that the growth trend of previous years has come to a halt. Although grain tonnage sales are up slightly, the quality of this year's harvest is very poor and prices are approximately 15 per cent. lower than a year ago. In addition flooding put King's Lynn Silos out of action for three weeks and exports (a tenth of sales) were hit by the company having to make default payments. Nevertheless, any shortfall was made up by the seeds division where extra capacity (brought on stream last year) was quickly utilised with demand strong as a result of good autumn sowing conditions. On maintained profits the shares, at 78p (in a very narrow market), are on a p/e of 7.7 (maximum tax charge), while the yield is a probable 7.8 per cent.

Falconbridge Nickel in the red

Falconbridge Nickel Mines, the second largest of the Canadian nickel producers, had a net loss of C$29.2m. in 1977 compared with a profit of C$14.7m. in 1976.

A statement, issued in Toronto yesterday, attributed the loss to depressed market conditions. Demand for nickel had been weak and the situation had been compounded by both new production coming on stream and by fierce competition.

Like Inco, the world largest producer, Falconbridge has adopted a policy of retrenchment. [illegible]ere have been extensive lay-offs at both foreign and domestic production facilities.

Rank Xerox in Italy

Rank Xerox Spa, the Italian subsidiary of Rank Xerox of London, turned in net profits of L309m. for 1977 compared with L580m. for 1976. Sales for the year were ahead by 31 per cent. to L91.2bn.

INTERNATIONAL TRANSFORMERS

International Transformers has taken over the Hirst power supplies business belonging to BOC International. This move is part of BOC's phasing out of Hirst Electric Industries.

International Transformers, which makes a wide range of similar equipment, will be responsible for servicing existing customers.

Power supplies built into Hirst magnetisers, welding and microwave equipment are not included in the arrangement.

Second half jump at Hall Engineering

AFTER A slight increase at midway from £1.75m. to £1.8m. Hall Engineering (Holdings) finished 1977 with taxable profits of £4.41m. compared with £3.39m., on turnover up by £3.07m. to £69.31m. At the halfway stage the directors said they were confident that profits for the full year would exceed those for 1976. A peak of £4.86m. was achieved in 1974.

On capital increased by a one-for-five scrip issue and a conversion of *loan stock* during the year, stated earnings are up from an adjusted 14.91p to 18.01p per 50p share and the dividend is stepped up to 4.4258p, against an equivalent 3.9925p, with a final of 2.2128p net. There was an extraordinary debit for the year of £384,000 compared with £98,000 for 1976.

	1977 £000	1976 £000
Turnover	69,312	66,241
Trading profit	4,614	3,594
Loan stock interest	230	230
Share of assoc. companies	25	21
Profit before tax	4,409	3,385
Tax	2,184	1,532
U.K.	1,514	691
Overseas	660	829
Assoc. companies	10	12
Net profit	2,225	1,853
Extraord. debits	384	98
Preference div.	64	64
Available	1,777	1,691
Ord. dividends	535	475
Retained	1,242	1,216

● **comment**

Hall Engineering's 30 per cent. pre-tax profits recovery to £4.4m. (still below the £4.9m. achieved in 1974) was almost entirely due to the elimination of losses within the steelmaking division. Here the labour force has been substantially reduced and output cut by around a half following losses of £1.4m. in 1976. Last year steelmaking broke even. Against this there was a sharp drop in profits from South African subsidiaries reflecting the depressed economy in that country. Overseas earnings were further reduced by currency movements and overseas profits were overtaken by the U.K. contribution (which had lagged behind in 1976). Elsewhere in the U.K., steel stockholding showed a marginal improvement while the wire making division fell back slightly following the closure during 1977 of part of this business. A turnover increase of only 4.6 per cent. indicates just how flat the group's various businesses are. However the balance sheet which looked weak at the end of 1976 should have seen a little improvement. The shares at 95p (up 4p yesterday) yield 7.2 per cent. The p/e is 5.1.

British Vita chairman dies

Mr. Norman Grimshaw, chairman of British Vita Company, the international plastics and rubber group, died suddenly yesterday at the age of 56.

He had been chairman since the original company, Vitafoam, was formed *in 1949*, but at *his* own wish his role had been increasingly non-executive following the complete restructuring of the Board in 1975.

The British Vita chairman held just over 13 per cent. of the shares in the group at the time of his death. A spokesman for the company said Mr. Grimshaw had been concerned to see the "ongoing independence" of British Vita and understood there was no immediate prospect of the executors and trustees of his estate selling the shares.

Lister returns to profit

FOR THE six months to September 30, 1977, Lister and Co. reports a return to profits with a pre-tax figure of £338,000. This compares with losses of £665,000 for the corresponding period and £480,000 for the last full year.

The directors state that as a result of reorganisation they are beginning to see improved trading results and the trend appears to be continuing despite static market conditions.

They will defer consideration of dividends until the end of the current year, they add. Last year a final of 0.1p net was the sole payment.

	Six months 1977 £000	1976 £000
Turnover	16,285	[illegible]
Depreciation	279	[illegible]
Directors' remuneration	51	[illegible]
Interest	389	[illegible]
Auditors' remuneration	47	[illegible]
Surplus on fixed assets sale	28	[illegible]
Pre-tax profit	338	[illegible]
Tax	10	[illegible]
Extraordinary debit	307	[illegible]
Minorities	3	[illegible]
Attributable	18	[illegible]

* Loss.

Downturn seen by Borelli

The directors of Borelli Tea Holdings anticipate that trading profit for 1977 will not attain the level for 1976.

They state that the total crop of the company's two subsidiaries operating in India, showed a satisfactory increase over that of the previous year reflecting the generally reasonable weather conditions which prevailed throughout the year.

While tea prices have declined from their peak level achieved in March, 1977, the average sale prices still show an increase over the previous year. However, costs including the imposition of an additional export duty of Rs.5 per kg. continued to rise.

The scheme of rupeeisation required by the Indian Foreign Exchange Regulation Act, 1973 was approved by the courts some months ago and it is probable that the merger will have retroactive effect to January 1, 1975.

Negotiations with the Government of India continue and have not been as expeditious and straightforward as had been anticipated but it is hoped the approval of the Indian Government to the company's scheme *first submitted in January,* 1974.

No profit remittances were received from India during 1977 and "considerable" sums are now retained in that country. Negotiations for the resumption of profit remittances have been in progress for some time and it is hoped that the Indian authorities will soon recommence the flow of the remittance of past profits.

Church growth trimmed in latter half

DESPITE LITTLE change in second half profit at £1.42m. against £1.37m., Church and Co., the footwear group, ended 1977 with a record pre-tax figure of £2.37m. compared with the previous year's £1.96m. Turnover advanced from £16.89 to £19.53m.

At midway, the directors said that the retail trade continued to be good and full year profit should *show a reasonable advance*, but they warned that the rate of increase might not be maintained at first half levels.

After tax of £1.16m. (£0.95m.) and minorities, attributable profit for the year was up from £1.01m. to £1.2-m., giving stated earnings of 24.6p (20.5p) per 25p share.

A final dividend of 2.67p raises the total to the maximum permitted 3.37p (3.02p) net, absorbing £165,714 (£148,503) — *the* directors state that a substantially increased interim will be paid for the current year if controls cease.

Results include a small loss on foreign exchange, compared a profit of some £180,000 for 1976. The amount carried forward is £5.11m. (£4.07m.).

Taxable profit for 1977 of A. Jones and Sons, a subsidiary, improved from £1.02m. to £1.29m., o nturnover, excluding VAT, of £9.4m. against £7.52m.

Earnings per share are shown as 61p (48p) and the dividend is lifted from 10p to 11.5p., costing £126,500 (£110,000).

Tax took £0.62m. (£0.48m.) and after minorities, attributable profit advanced from £0.54m. to £0.67m. The amount carried forward was £2.57m. (£2.02m.).

● **comment**

Church indicated at the half-way stage that profits growth would be slower in the second half, and the final figures show an increase of just 3.7 per cent. in the closing six months. However, the comparable figure was inflated by currency adjustments and stripping these out leaves the second *half rise at a more creditable 20* per cent. Footwear retailing in the U.K. has been reasonably buoyant—the Jones subsidiary, which is the major U.K. retailing arm, managed to push profits up 27 per cent. Manufacturing has shown steady growth, but the improvement in the value of the pound has hit exports of some of the less expensive shoes where competition is stronger. However overseas demand for the quality Church ranges remains good and overall exports are £½m. up at £3½m. The disappointing area is still Canada, where the effects of the dull economy have been aggravated through overstocking. The recent Ellen acquisition has bee nfinanced by overdraft to the tune of £0.9m. taking bank debt up to around £2.4m. but a medium term loan will eventually finance the cash part of the purchase. Meantime the shares at 169p are bound to have a limited appeal with a yield of 3 per cent. However with a cover of 7.3 times there is scope for an increase when restraint is lifted. The p/e is 6.8.

GOUGH/ELLIS & CO.

At an extraordinary meeting of Gough Brothers, shareholders have given their approval to the acquisition of Ellis and Company (Richmond) and subject to the offer for Ellis becoming unconditional in all respects, an increase in the authorised share capital of the company to £1m.

Gough announces that acceptances had been received which, together with shares already owned, represent in excess of 70 per cent. of the share capital of Ellis. The offer remains open for acceptances.

Recovery by Tyzack & Turner

After almost breaking even in the second half of 1976-77, W. Tyzack, Sons and Turner achieved a pre-tax profit of £81,061 for the six months to January 31, 1978, compared with £30,010 for the corresponding period last time.

The interim dividend is doubled *from 0.625p to 1.25p net per 25p* share—for all 1976-77, payments totalled 1.875p from £30,036 profit.

First half sales increased from £1.89m. to £2.07m. and profit was before tax of £42,152 (£15,605).

The company manufactures agricultural machine parts, light engineering products, machine knives and hand and garden tools.

Results due next week

The spate of preliminary announcements continues next week with the Stock Exchange list including such notables as Tube Investments, Philips' Lamps and British Leyland. In addition, insurance brokers Willis Faber and C. T. Bowring are reporting, with interest also being focussed on Thomas Tilling and Hepworth Ceramic, which is currently in bid talks.

Tube Investments is due to announce its full year figures on Wednesday and analysts are currently anticipating pre-tax profits of between £55m. and £60m. compared with the £49.6m. of the previous year. It clearly has been a very difficult year for the steel tubes division which at the interim stage reported pre-loan interest profits almost £3m. lower at £9m. Against this, earnings from the group's British Aluminium investment are expected to be substantially improved as prices for the metal rose steadily for the first nine months of last year. Cycles, which were also doing well at the interim stage, however, were affected by a strike at Raleigh Industries in the second half. Some analysts are becoming worried about the group's prospects *in the current year with the Invergordon* aluminium plant out of action following a power blackout during the recent blizzards while aluminium prices have now turned down. Meanwhile there is no sign of any improvement in steel demand.

Philips' Lamps, with its bias toward sconsmer products, faced a tough year in 1977. Though there has been some pick-up in the U.S. market demand in Europe has basically been flat. In addition competition from Japanese and Italian manufacturers has been stiff. At the nine-month stage sales were only up 4 per cent. at Fls.21.9bn. and pre-tax profits were up from Fls.838m. to Fls.944m. The company said then that its earlier forecast for the year of a slight improvement in earnings would depend partly upon the impact of currency fluctuations. However, City analysts are not looking for the big write-offs of a year ago amounting to Fls.246m. in the final quarter. Full year figures are due on Thursday. Earnings could be around Fls.3.70 (Fls.3.03) a share.

Profits of Thomas Tilling are expected to top £50m. pre-tax for the first time when full year results are announced on Wednesday, an increase over the previous year of about a fifth. This is against a background of unexciting activity in the construction materials division, which normally provides more than 20 per cent. of operating profits. Here, although volume *demand must be down, the value* of deliveries should show an increase, so Grahams will have performed well. Elsewhere, insurance (a tenth of profits last year) is expected to achieve its target of further growth, while medical supplies will get a substantial boost from the Intermedco acquisition in the U.S.

With its very narrow market, British Leyland does not generate much forecasting activity among analysts and their interest is confined to the possible effect on other companies in the motor sector. "Anything is possible," is a typical comment, depending apparently, on the extent of the planned exceptional provision. This is thought to amount to about £100m. for 1977, about £40m. of which will be in respect of the closure of the Speke plant. Certainly the write-offs will mean that British Leyland will be announcing its biggest-ever loss on Monday. The only bright spots will be the profits earned by the trucks/buses and special products divisions.

Another batch of full year figures is due from the insurance broking sector. On Monday Willis Faber is expected to report pre-tax profits of around £19.6m. to £19.8m. A rise of around a fifth in taxable profits will compare unfavourably with Sedgwick Forbes' 40 per cent. jump, which is likely to prove untypical for the sector. Sedgwick, for special reasons, managed to trim expenses dramatically. But Willis will not find it so easy to contend with the problem that all of its *costs are incurred in the U.K.* while two-thirds of revenue is earned overseas. Exchange rate movements will have worked against Willis. That, and its move to Ten Trinity Square in mid 1977 could push up its expense ratio.

Analysts are expecting results from C. T. Bowring on Wednesday to show pre-tax profits up from £25.8m. to around £32m. Insurance broking profits are likely to have contributed some £26.5m. of that total compared with £17m. With interest rate factors working in its favour the credit finance activities of Bowmaker are expected to make a good contribution of around £6.5m. compared with £4.6m. This will more than offset the poor performance expected from the Bowmaker construction business and the group's shipping interests.

Hepworth Ceramic, currently in bid talks with tile manufacturers Johnson-Richards, is due to announce full-year results on Monday. After six months Hepworth turned in profits 42 per cent. higher at £12.8m. and analysts are expecting at least as much in the second half, which will mean an approximate 36 per cent. rise for the year. Normally the second half is the greater contributor but exports on the refractories side (about a quarter of total profits) will have slowed because of the stronger pound. In addition the clay pipe division, which is holding up well, is operating at reduced capacity because of the low level of activity in the house-building, roads and sewage sectors.

Other announcements to note are finals from Booker McConnell (Monday), Weir Group (Tuesday), Molins (Wednesday) and Rockware Group (Wednesday) with interims from Cope Allman International (Tuesday) and Bejam (Wednesday).

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Banro Consolidated Industries	Wednesday	0.575	1.73	0.575
Barton and Sons	Wednesday	1.1	1.527	1.228†
Beatson, Clark and Co.	Monday	1.825	2.931	2.046†
Bemrose Corporation	Tuesday	1.347	1.347	1.914
Boddingtons' Breweries	Tuesday	2.0	1.5	2.023†
Booker McConnell	Monday	2.9	3.436‡	3.744†
C. T. Bowring and Co.	Wednesday	0.813	1.926	0.936†
British Aluminium Company	Wednesday	5.0	15.0	15.0
British Leyland	Monday	—	—	—
Brown and Jackson	Thursday	2.0	0.2	Nil
Chersonese (FMS) Estates	Wednesday	0.4	1.6	0.73
Charles Clifford Industries	Thursday	2.0	Nil	Nil
Coats Brothers and Co.	Thursday	0.694	1.368	0.775
Expanded Metal Company	Monday	1.575	1.639	1.925
First Guernsey Securities Trust	Tuesday	—	3.0(b)	—
Friedland Doggart Group	Thursday	1.09	1.71	1.2
Hanger Investments	Wednesday	—	0.41	—
Hepworth Ceramic Holdings	Monday	1.0	1.129	1.35¶
Ibstock Johnsen	Monday	2.2	3.3	2.5
Jamesons Chocolates	Thursday	0.849	2.065	0.849
A. A. Jones and Shipman	Wednesday	1.5	3.313	1.65
Liverpool Daily Post and Echo	Wednesday	2.415	4.068	2.761†
Low and Bonar Group	Monday	3.25	6.5	3.5(a)
Hugh Mackay and Co.	Thursday	1.4	1.67	1.4
Metal Closures Group	Monday	1.5	2.575	1.7
Molins	Wednesday	2.0	4.5	2.0
Montagu Boston Investment Trust	Monday	—	0.353	—
Montfort (Knitting Mills)	Wednesday	0.875	2.25	0.975
Wm. Morrison Supermarkets	Tuesday	—	2.02	1.0§
Parambe	Thursday	—	Nil	—
Pittard Group	Monday	1.0	1.482	1.125†
Rockware Group	Wednesday	1.317	2.167	1.898
Sale Tilney and Co.	Monday	2.27	2.464	4.9
Schroders	Wednesday	3.0	7.243	3.111†
Southampton, Isle of Wight, etc.	Tuesday	3.0	5.0	3.125
Tate of Leeds	Monday	—	0.625	—
Thomas Tillings	Wednesday	1.32	1.665	2.0
Tomatin Distillers	Tuesday	0.51	1.374	0.539†
Trade Indemnity Company	Tuesday	2.75	4.769	3.145†
Tube Investments	Wednesday	8.8	9.961	9.981†
W. and E. Turner	Tuesday	0.468	1.098	0.517
Watmoughs (Holdings)	Tuesday	0.6	1.616	0.674
Weir Group	Tuesday	1.54	3.19	1.694
Western Motor Holdings	Tuesday	0.325	1.889†	0.66
Williams and James (engineers)	Monday	0.975	1.237	0.99
Willis Faber	Monday	2.5	5.0	2.875
INTERIM DIVIDENDS				
Armstrong Equipment	Tuesday	0.725	1.308	
Bejam Group	Wednesday	0.626	0.827	
Bryant Holdings	Wednesday	0.867	1.393	
Capseals	Tuesday	0.5	0.926	
Chambers and Fargus	Monday	Nil	0.243	
Cope Allman International	Tuesday	1.4	1.736	
Courtney, Pope (Holdings)	Monday	1.0	1.168	
Howden Group	Thursday	0.933	2.727	
Ingall Industries	Thursday	0.36	1.14	
Lawtex	Monday	1.5	1.387	
London Scottish Finance Corporation	Monday	0.7	1.0	
Macallan-Glenlivet	Thursday	1.378	3.222	
Monument Securities	Wednesday	Nil	Nil	
Newman-Tonks	Monday	0.8	2.33	
Pressac Holdings	Monday	0.34	1.847	
J. E. Sanger	Tuesday	1.75	2.038	
United City Merchants	Thursday	0.405	0.244	
H. Young Holdings	Wednesday	Nil	Nil	
INTERIM FIGURES ONLY				
Centrovincial Estates	Thursday			
Finance and Industrial Trust	Monday			
Talbex Group	Tuesday			
Westminster Property Group	Monday			
Wolf Electric Tools (Holdings)	Tuesday			

* Dividends shown net, pence per share and adjusted for any intervening scrip issue. † Includes special compensating dividend due to change in tax rate. ‡ Second interim in lieu of final. § Interim to be declared as for nine months to December 31. ¶ Forecast final of 1.75p. (a) Forecast final of 7.38p.

Outlook at Derek Crouch

An increase in growth in 1978 is expected at Derek Crouch (Contractors), says Mr. D. Crouch, the chairman, in his annual statement.

As already known pre-tax profits for 1977 rose from £1.82m. to £2.47m. and the dividend is stepped up to 3.9387p (3.5268p). All sections of the business performed well, the chairman adds, and the group has continued with its policy of expansion both in Europe and the U.S.

In Europe, where the group handles sales of mining and compressed air equipment, a new depot has been opened at Liege in addition to the head office in Antwerp. Mr. Crouch hopes for modest profits here in 1978.

In the U.S. Crouch has taken a substantial interest in a new company formed to take over the assets of an existing business. The new company will own about 20,000 acres of coal-bearing land and is expected to produce a total of about 20m. tons at the rate, initially, of 750,000 tons, and then 1m. tons per annum.

Contracts have been obtained with Utilities for ½m. tons per annum, index linked. Financial requirements for a medium term loan have been arranged with a leading American bank on satisfactory terms and based on the proved mineral deposits. It is expected that a small profit may be forthcoming this year and from then on a considerable contribution to earnings may be expected, he adds.

The construction company has recently obtained, and work has just commenced, on another large contract from the Northern Regional Health Authority for the *construction of a £10m.* hospital at Barrow in Furness, with a four-year completion time. It is anticipated there will be extensions to this project.

In view of the group's internationally developing business and in order to assist in establishing clear objectives, it is proposed that the group's structure should be reorganised and that the holding company should be known as Derek Crouch Limited. A subsidiary company will be formed and named Derek Crouch (Contractors) Limited, and from the commencement of the next financial year this will take over the civil engineering and mining interests of the group.

On a CCA basis an adjusted pre-tax profit is shown as £1.13m. There was an increase in bank borrowing of £1.39m. against a decrease of £1.2m.

Meeting, Peterborough on April 5 at noon.

C. H. INDUSTRIALS

C. H. Industrials, the car equipment manufacturer, is to make an agreed £½m. cash offer for S. A. Richardson.

The directors of Richardson and certain other shareholders have irrevocably undertaken to accept the 35p per share bid in respect of their 40.1 per cent. of the capital.

SHARE STAKES

Dorada Holdings: River Plate and General Investment Trust owns 5.56 per cent. of the shares after a small purchase of shares adding to a holding below 5 per cent.

Chubb and Son: Kuwait Investment Office sold on March 7 *50,000 shares and on March 8* 50,000 shares leaving an interest in 4,500,000 shares.

Henlys: London and Manchester Assurance has bought further 1,000 5.25 per cent. Cumulative Preference shares making 45,600 (24.32 per cent.).

Scotcros—Solsgirth Investment Trust has bought 115,000 shares making a total holding of 535,000 shares (10.1954 per cent.) held in name of Clydesdale Bank (Head Office) Nominees.

Duple International — Company's correction to statement circulated on March 14. Interests within control of Mr. G. D. J. Hay, a director, have acquired 25,000—not 75,000—shares. Mr. Hay's total interest is now 75,000—not 125,000—shares. Mr. D. Blank, a director, has disposed of 25,000—not 75,000—shares and is now interested in 4,221,332 shares (10.3 per cent.) not 4,171,332 shares (10.1 per cent.).

British Dredging Company: Wm. Adams and Co. (Newport) notifies that an option on 60,000 of its shares in British Dredging has been taken up and the total has been reduced to 640,000 shares (5.7 per cent.).

Thomson T-Line Caravans: J. F. Nash and Partners owns 100,500 shares (6.3 per cent.).

Letraset International—Mr. J. G. Soper, a director, sold 25,000 shares at 107p on March 15 and 40,000 at 108p on March 17.

Dixons Photographic—Prudential Assurance Company holds 1,970,854 Ordinary shares (5.31 per cent.).

Appleyard Group of Companies—Industrial and Commercial Finance Corporation is interested in 620,000 shares (7.75 per cent.).

UNIT TRUSTS

Launch of another open-ended fund

IT HAS BEEN a lively week for issues on the investment front, with Kleinwort Benson, first of all, launching a new unit trust with a portfolio to be all but entirely composed of holdings in investment trusts, and now Schlesingers launching their Far East Fund. This is a new version of a species relatively unfamiliar to U.K. investors: the geared, but open-ended fund. In structure it is more like an investment trust than a unit trust in that it can borrow —and will borrow: the managers are planning to invest some 75 per cent. of the portfolio in Far Eastern markets via a yen loan. But it is more like a unit trust than an investment trust in that the *shares* — a participating redeemable preference issue being offered at 100p a share—will be quoted in London at net asset *value, and may be redeemed from* the company at that price.

This fund will be Jersey-based, but it is not an offshore fund as such, though the managers may eventually decide to market it worldwide through a dollar feeder *fund. As* far as U.K. residents are concerned, they will be subject first to Jersey tax, and then to tax in the U.K.: and in the event they are likely to end up with much he same, at the net level, *as they might* have had had they invested through a mainland fund.

The interest in this one lies, of course, in the fact that it is to invest in Far Eastern markets: and they have been some of the best performers world wide on a medium term view. Since the yen loan is to be backed by investment in gilts, "when appropriate," there is likely to be a relatively respectable yield on the shares as well—some 3 to 3½ per cent. on present estimates.

The new fund is not, however, an authorised unit trust, and should not be taken for one. The snag to a combination of gearing and open-ended status is that, should the markets in which the fund is invested plunge catastrophically, and investors lose their nerve and start pilling out, it is not impossible that the loans would be left uncovered. But if that means that this is a higher risk investment, it offers, by the same token, the chance of a higher return.

It isn't only the Far East to which Schlesingers has turned its attention, however. Last week th efund managers held a conference in London at which some of the heavyweights of the New York financial scene proclaimed the fundamental values to be *obtained on Wall Street, and* the managers are inviting investors to take advantage of them by buying units in Schlesinger's American Growth Fund. So too are Midland Drayton, with its International Fund, and M and G, with American and General.

Now it's certainly true that prices in America are cheap: but the problem for investors is to decide on whether they are going to get cheaper. Fund managers at M and G say that that doesn't really matter: it's much more important to be in on the way up than it is to miss the bottom. The minimum investment that they will accept as a lump sum is £500: but you ca ngo in through a life-assurance linked savings scheme for as little as £10 a month. If you want to spread the risk a little wider—though this means that you will probably dilute the gains—Midland Drayton's International Fund (minimum investment £200) is only some 58 per cent. invested in North America at the moment, with most of the rest of the portfolio in the Far Eastern markets.

Those who want to play safe should go instead *for one of the* two high income funds on offer this week: Gartmore High Income or Lawson High Yield. Lawson offers the more, with a yield of 10.6 per cent.: but the Gartmore fund has a higher percentage of equities, which means that its income will lall but certainly rise faster. It has, in adition, a remarkably good recent record of assets growth. For the Lawson Fund you need a minimum of £400, for that of Gartmore, £200.

Investment under modern conditions needs more than a fair amount of expertise which the layman may or may not possess in some degree. But what it needs even more is time. Very few individuals san give their portfolio the attention it deserves. If their portfolio is of modest size, then the most efficient means of obtaining professional management is through unit trusts. The Canada *Life Group is drawing investors'* attention this week-end to the Canlife Unit Trusts and its share exchange scheme, which enables investors to switch from shares to units on favourable terms, cutting out a lot of the expenses of selling and reinvesting. Investors have a choice of capital and income units.

However, if you would rather make your own decisions you might be interested, instead, in the Piccadilly Flexible Investment Portfolio. With seven funds under their combined wings, Piccadilly and The New Zealand Insurance Company offer investors a very full choice of switches.

Finally, Property Growth is drawing the attention of senior executives to the tax advantages of an executive pension scheme which provides not only pensions but tax-fre lunip sums on retirement or on death in service. This can be a most tax-efficient vehicle for boosting the overall remuneration package. Under the Directors and Executives Plan the benefits can be tailored to individual requirements and there is a choice of several tax-exempt funds for investment.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

Centreway has backed out of the contested bid for Blakey's (Malleable Castings) and has sold its 41 per cent. stake to Allied Insulators. The latter is making a new agreed offer comprising 52p per Blakey's share with a six for seven share alternative. Allied has shares or acceptances amounting to over 50 per cent. of Blakey's.

Spey Investments, which is wholly-owned by Grindlay Brandts—itself 51 per cent. controlled by Grindlays Holding—has bought a 26.6 per cent. stake in Cray Electronics from Crest Nicholson at 26p a share. Together with its existing stake in Cray, this takes the Spey holding to just over 60 per cent. and triggers off a general bid on the same terms under the City Code. However, Spey is appealing to Cray shareholders not to accept the offer as it intends to maintain the Cray quotation on the Stock Exchange.

A group of major shareholders in H. and R. Johnson-Richards Tiles, together representing 25 per cent. of the equity, have taken the highly unusual step of asking that the Board "give the most careful consideration" to the takeover approach made to the company by Hepworth Ceramic on Monday. They also urge that shareholders should be given the opportunity to consider any offer of "not less than 125p a share." This compares with the price prior to Monday's announcement of 84p and the current market price of 113p.

Britannia Arrow Holdings (formerly Slater Walker Securities) has announced that negotiations are well advanced for the sale of its life assurance company Arrow Life Assurance and its subsidiaries and Brittania Life Association (CI) of Guernsey to Gulf and Western Industries Inc., a leading U.S. conglomerate.

The attempt by Reed International to reduce its debt by selling most of its South African interests to two subsidiaries of Union Corporation has foundered. Reed had been hoping to realise up to £30m.

The threat of a rival bidder wresting control of the U.S. industrial gases producer Airco from BOC International loomed closer when Martin Marietta, a large and diversified company with interests in aerospace and aluminium, announced that it is talking to Airco's representatives.

Rediffusion, the television manufacturing and rental subsidiary of British Electric Traction, has agreed in principle to pay a cash sum of around £4.5m. for Good Listening, the major trading subsidiary of British Photographic Industries—a public but unlisted company.

Prices in pence unless otherwise indicated.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid (£m's)**	Bidder	Final Acc't'ce date
Auston Hldgs.	76*	75	70	2.4	Clerk's Acre (Hassocks)	30/3
BCA	125†	120	53	1.48	A.P. Cement	—
Blakey's (Malleable Castings)	52*	48	48	1.50	Allied Insulators	—
Bury & Masco	99½§§	94	80	6.46	Scapa	—
Cray Electronics	26*	25	19	2.58	Spey Invests.	—
Dawson (James)	130	125	87	5.24	J. H. Fenner	—
Dixor	25*	43	47	0.31	Messrs. Dinsmore & Stark	23/3
Ellis & Co. (Richmond)	24†	23½	17	1.19	Gough Bros.	23/3
Gordon Johnson Stephens	24*	18††	18	1.6	Simon Engineering	—
Hamilborne	48*	47	43	0.75	Ferguson Secs.	—
Lockhart (A.)	233	195	170	1.8	Irish Ropes	—
Lond. Aust. Invs.	138*	124	123	10.4	Colonial Mutual Life	—
Lond. Aust. Invs.	123½*§	124	101	6.82	Hooker Corp.	10/4
London Sumatra	110*	120	98	17.5	McLeod Russel/ Sipef SA	21/3
Prop. Inv. & Finance	110*	107	105	4.74	Castlemere Props.	—
Reynolds (W. J.)	38§§	40	33	1.5	Manchester Garages	—
Wstn. Canada Inv.	650*§	635	630	0.55	Scot. Eastern Inv.	30/3
Whiley (G. M.)	36	33	28	1.1	Assoc. Paper	30/3
Wigfall (H.)	274§§	223	163	14.3	Comet Radiovision	22/3
Young Austen Young	83*	83	66	3.4	Trafalgar House	28/3

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 16/3/78. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Based on 17/3/78.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Geo. Armitage	Dec. 31	699	(830)	20.9	(28.4)	1.945	(1.756)
Bouser Engg.	Nov. 30	490	(223)	3.5	(1.8)	1.442	(1.291)
BP	Dec. 31	2,186m	(1,783m)	92.6	(87.4)	22.102	(19.987)
Bury & Masco	Dec. 31	1,206	(842)	12.5	(11.7)	4.735	(4.239)
Cement Roadstone	Dec. 31	14,769	(11,861)	17.4	(14.6)	4.94	(4.063)
T. Clarke	Dec. 31	428	(328)	3.7	(3.1)	1.12	(1.011)
Richard Clay	Dec. 31	1,638	(1,144)	11.0	(7.8)	3.164	(2.861)
Wm. Collins	Dec. 31	3,150	(5,220)	16.1	(28.7)	4.678	(4.153)
E. Lancs. Paper	Dec. 31	1,152	(213)	¶	(¶)	3.3	(2.931)
Fairclough Constr.	Dec. 31	7,049	(5,954)	9.3	(7.7)	2.488	(2.25)
Federated Land	Dec. 31	863	(797)	3.7	(3.4)	2.3	(2.0)
Finlay Packaging	Dec. 31	486	(464)	2.7	(2.7)	0.594	(0.536)
Gibbons Dudley	Dec. 31	4,225	(3,888)	21.6	(19.3)	2.502	(2.266)
Grindlays Hldgs.	Dec. 31	30,451	(30,127)	24.5	(19.8)	2.75	(2.5)
IOM Enterprises	Dec. 31	71	(64)	5.2	(5.0)	2.5	(2.0)
John I. Jacobs	Dec. 31	2,850	(1,440)	7.9	(3.9)	1.849	(1.656)
Johnson Cleaners	Dec. 31	2,050a	(1,390)b	14.4	(11.5)	3.891	(3.484)
Lambert Howarth	Dec. 31	474	(437)	7.1	(7.8)	3.17	(2.87)
Norvic Securities	Dec. 31	220	(257)	2.9	(2.1)	2.2	(1.9)
Pentos	Dec. 31	3,260	(2,961)	15.6	(14.5)	4.292	(3.843)
Thos. Robinson	Dec. 31	998	(958)	11.3	(11.3)	3.382	(3.028)
Rolls Royce	Dec. 31	11,003	(8,634)	9.7	(8.8)	4.297	(3.884)
Sharpe & Fisher	Dec. 31	907	(852)	5.3	(5.1)	2.37	(2.122)
Small & Tidmas	Dec. 31	79	(93)	3.4	(4.1)	2.0	(2.0)
Smith & Nephew	Dec. 31	17,335	(14,046)	8.5	(6.7)	3.41	(2.18)
Geo. Spencer	Dec. 31	537	(260)	5.0	(2.2)	2.464	(2.229)
United Biscuits	Dec. 31	38,120	(33,246)	17.9	(17.2)	5.384	(4.242)
Vosper	Oct. 31	2,189	(6,265)	26.3	(55.6)	4.649	(4.166)
James Walker	Dec. 31	471	(231)	7.2	(3.3)	3.75	(3.425)
H. Woodward	Sept. 30	575	(269)	19.8	(7.1)	1.87	(1.17)
Yorkshire Chmcal.	Dec. 31	1,547	(3,183)	8.3	(15.0)	4.767	(4.268)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
C. H. Beazer	Dec. 31	369	(322)	1.65	(1.5)
Arthur Bell	Dec. 31	7,773	(5,248)	2.25	(2.21)
Brigray	Oct. 19	46L	(86)§	Nil	(Nil)
Brooke Bond	Dec. 31	22,647	(16,278)	0.832	(0.756)
Dawnay Day	Dec. 31	930	(160)	0.5	(Nil)
Ductile Steels	Dec. 31	1,873	(3,144)	1.926	(1.751)
Eleco Holdings	Dec. 31	487	(428)	0.75	(0.65)
Fairview Estates	Dec. 31	1,050	(906)	2.5	(2.25)
R. Green Props.	Dec. 31	392	(121)	0.55	(0.5)
HTV	Jan. 31	1,840	(1,200)	3.0	(2.5)
Merchants Ware.	Dec. 10	227†	(215)	0.325	(0.325)
Miln Marsters	Nov. 30	11	(126)L	2.3	(1.667)
Nelson David	Sept. 30	19	(48)	—	(—)
Parker Timber	Sept. 30	1,370	(1,740)	—	(—)
J. D. & S. Rivlin	Oct. 31	118L	(201)	Nil	(1.17)
Samuelson Film	Sept. 30	253	(433)	3.0	(3.0)
Second City	Oct. 31	412	(461)	0.354	(0.346)
Stothert & Pitt	Jan. 14	619‡	(319)	2.4	(2.145)
James Walker	Oct. 31	883	(931)	1.0	(1.0)
Waring & Gillow	Sept. 30	1,440	(1,030)	1.071	(0.958)
Wolseley-Hughes	Jan. 31	4,464	(3,098)	3.328	(3.025)

(Figures in parentheses are for corresponding period.) Dividends shown net except where otherwise stated.

* Adjusted for any intervening scrip issue. † For 24 weeks throughout. ‡ For 28 weeks throughout. § For half year to July 31. ¶ Not given. a For 53 weeks. b For 52 weeks. L Loss.

Scrip Issues

Cement Roadstone: Two-for-three.
T. Clarke and Co.: Three-for-ten.
Richard Clay and Co.: One-for-four.
Sharpe and Fisher: One-for-four.
United Biscuits: One-for-one.

Offers for sale, placings and introductions

Agricultural Mortgage Corporation: £3m. Variable rate bonds 1983 at par.
Saga Holidays: Offer for sale of 2.1m. shares at 105p each.

BIDS AND DEALS

Progress for Unilever's Nat. Starch offer

Unilever's $485m. offer for National Starch took a step forward on its long journey yesterday with "definitive merger agreement" being entered into by the two sides.

The merger agreement is a massive document which, in the words of Unilever's finance director, Mr. Cob Stenham, is like an offer document in the U.K. "times ten."

Previously there was only a letter of intent which described the broad outlines. The agreement adds a great deal of information about the parties and what they undertake to do.

The two main hurdles which the offer now has to jump are the ruling of the Internal Revenue Service and the vote of the stockholders. The ruling of the IRS relates to the tax position of stockholders who accept the offer. Some of them bought National Starch shares at much lower levels and could have a big tax liability. But it is hoped that such shareholders will be able to avoid it by accepting the preferred stock alternative.

As for the vote of the stockholders, Mr. and Mrs. Greenwall, who together own about 15 per cent., have already agreed to rein back the full strength of their block. They will only vote their stock in the same proportion as the shares voted by all the other stockholders.

It is hoped that following a favourable tax ruling, the vote could take place in early June. Completion of the necessary preliminary filings with the Securities Exchange Commission is expected within the next few days.

With the deal looking more likely to go through, shares of National Starch rose $1½ to $62 on the news yesterday.

TILLING EXPANDS TEXT BOOK INTERESTS

Thomas Tilling, the diversified British industrial group, has bought Ginn and Co., U.K. publishers of school text books, from Xerox Corporation of America for £1.7m. in cash.

The new acquisition will fit in with Tilling's existing interest in this field, Heinemann Educational Books, the educational arm of Tilling's publishing subsidiary, Heinemann Group.

Ginn of the U.S., which will remain in the ownership of Xerox, will continue to operate in the U.S. and Canada but arrangements have been made for Ginn and Co. to remain associated with the developments and publications of the North American company.

Ginn and Co. achieved sales in the year to November 30, 1977, of £1.8m. and made a trading profit of £496,000. Its purchase continues Thomas Tilling's recent run of acquisitions from U.S. companies—although in this case the company being acquired is essentially a British operation.

For Xerox the deal means that the company remains committed to the educational publishing interests in the U.S. but is concentrating on other aspects of the information and publishing business in other markets.

CENTREWAY/ BLAKEY'S

Centreway's offer for Blakey's (Malleable Castings) has been withdrawn from the consent of the City Panel on takeovers and mergers in view of the higher offer already announced.

Centreway held 952,000 stock units (32.92 per cent. of the stock) prior to the offer and acquired 235,000 (8.13 per cent.) during the course of the offer.

Acceptances have been received in respect of 32,961 (1.14 per cent.) stock units and these will be returned as soon as possible.

SMITH BUYS U.S. AVIONICS COMPANY

Smith Industries Inc., a U.S. subsidiary of Smiths Industries, has acquired Harowe Systems Inc., of West Chester, Pennsylvania, for about $3m.

Harows Systems designs and manufactures a broad range of primary flight instruments and computers for airborne application. Approximately 40 per cent. of Harowe's products are supplied directly to commercial airframe manufacturers. A similar amount is supplied directly to airlines and 20 per cent. of the sales volume is for military applications. Harowe's turnover is running at $3.5m. per year.

A new facility in the West Chester area is planned for completion within 12 months to support rapidly expanding volume.

The products of Harowe are largely complementary to those of SI and this acquisition is expected to strengthen SI's penetration of the U.S. aviation market.

W. J REYNOLDS

Mr. T. J. Clemence and associates has built up a stake of 631,000 (16.26 per cent.) in W. J. Reynolds, the Ford main dealers, which is currently on the receiving end of a takeover bid from Manchester Garages.

Wilkinson holders approve True Temper deal

The Board of Wilkinson Match yesterday gained the overwhelming support of shareholders for the controversial acquisition of True Temper, the U.S. garden tools group.

Proxies were received prior to yesterday's extraordinary meeting from holders of 58.9 per cent. of the votes that could be cast, of which 93.8 per cent. were in favour of the deal. Allegheny Ludlum, the vendor of True Temper and which stands ultimately to hold a 44.4 per cent. stake in Wilkinson when the deal is completed, did not cast its existing 29 per cent. holding along with Swedish Match which did not vote its 3.9 per cent. share.

Following numerous questions from shareholders over the deal, the resolution was put to the meeting and was subsequently passed by a comfortable margin on a show of hands. However, at the instruction of Mr. Denys Randolph, the Wilkinson Match chairman, a poll was taken and the final figures sowed that 61.98 per cent. of the possible votes were cast, of which 94.05 per cent. were in favour. Only 545,601 votes were cast in opposition.

Mr. Randolph said that the Board felt that the deal was a timely opportunity to obtain assets in North America and that this represented a unique way in which to establish a base in the country which was the largest market in the world for Wilkinson's products.

The chairman told shareholders that he expected no full bid would be made by Allegheny Ludlum "in the near future" and that there had been no other firm approaches to the company.

Asked by shareholders about the immediate prospects of True Temper, Mr. Randolph, while unable to give up-to-date figures, said that the current year was "progressing as expected" and that there was on reason to suspect that the result for the current year was "progressing as expected" and that there was no reason to suspect that the result for the current year would not turn out as hoped. He said that the Wilkinson Board was confident that the performance of True Temper could be improved under their control.

There was a wide divergence of opinion over the deal between institutional and private shareholders. The institutions voted 12:1 in favour of the deal while smaller shareholders voted 4:1 in favour.

ASSOC. NEWSPAPERS BUYS STAKE IN NEW YORK WEEKLY

Mr. Vere Harmsworth's Associated Newspapers Group has agreed to buy a 25 per cent. interest in the Soho Weekly News, a small circulation news magazine published in New York.

Mr. Harmsworth has been actively seeking U.S. interests and earlier this year was engaged in preliminary discussions to take control of New York's new morning newspaper, The Trib. These talks broke down however and the financially pressed Trib secured new funds elsewhere.

Last year Associated joined forces with Mr. Clay Felker and purchased a substantial interest in Esquire Magazine. The move followed a fierce battle for control of the New York Magazine group which pitted Mr. Felker, who founded the business, against Mr. Rupert Murdoch, the Australian publisher who heads the News International group.

Mr. Murdoch, who had previously bought the city's last afternoon paper, The New York Post, took control of New York Magazine and Mr. Felker struck up his partnership with Associated.

The purchase of the Soho Weekly News will intensify the rivalry in New York between Mr. Harmsworth and Mr. Murdoch. The Soho Weekly News is an offbeat and frequently iconoclastic publication which appeals to a similar audience as Mr. Murdoch's weekly Village Voice. The Soho Weekly News has a much smaller circulation—35,000 compared with around 140,000 for the Voice. Both magazines draw their titles from districts in Lower Manhattan with flourishing artistic communities.

Associated is to pay $250,000 for its stake in the Soho Weekly News and expects there to be some cross fertilisation with the glossy Esquire.

STOCKBROKERS MERGE IN LIVERPOOL

A merger has been agreed between Messrs. Milnes, Bickerstaff and Co. and Lumby Bustard and Co., and, subject to the approval of the council of the Stock Exchange it is hoped that the merger will take place in May.

Sir Henry Lumby will retire on the merger but his services will be available to the firm on a consultancy basis.

DENISON MINES $158.5M. PURCHASE

CANADA'S SECOND largest uranium producer, Denison Mines, is buying most of the uranium and nickel interests of the U.S.-owned Inexco Oil Company in Northern Saskatchewan and northern Alberta for $US158.5m. The interests are held by Inexco's Canadian unit, which will retain a 7.5 per cent. net profit interest in some of the properties. Of the purchase price, 40 per cent. is payable immediately and 60 per cent. on June 30, 1979.

The Inexco Canada Group owns major interests in an estimated 52.8m. lbs of uranium reserves, plus major nickel reserves.

MY DART ACQUIRES DAWES CYCLES

M.Y. Dart has purchased the assets of troubled Dawes Cycles for about £170,000 and will continue the business with most of the former workforce.

An estimated deficiency of £77,793 was announced to the adjourned creditors meeting yesterday, down from £126,000 prior to the deal. The liquidator, Mr. Roy Adkins, told creditors that the reduction was partly because the work force this cutting back the buyers are keeping on 80 of the cost of redundancy payments.

M.Y. Dart will keep the name Dawes Cycles and four members of the Dawes family will be on the Board of the relevant subsidiary. Dart considers that Dawes is a "logical extension" of its sporting goods business. This so far includes manufacture of table tennis balls and equipment, tennis balls and trainers as well as darts and dartboards. A "vigorous" selling effort will be aimed at regaining Dawes' lost sales.

AILSA ACQUIRED BY BRIT. SHIPBUILDERS

Following an approach in 1977 and subsequent negotiations, agreement has been reached in principle that British Shipbuilders should acquire the Ailsa Shipbuilding Company of Troon, Ayrshire.

Detailed negotiations will be commenced immediately, with the object of completing the takeover as quickly as possible.

INCHCAPE/PRIDE & CLARKE

Inchcape intends to acquire compulsorily the outstanding Ordinary shares in Pride and Clarke in accordance with the provisions of Section 209 of the Companies Act, 1948.

Accordingly, no documents of title in respect of the Ordinary shares issued by way of capitalisation of reserves will be despatched. Dealings will continue to include the entitlement to the capitalisation issue. The offers remain open until further notice.

APPOINTMENTS

Hepworth executive posts

Mr. Christopher J. Myatt, a director and general manager of HEPWORTH INDUSTRIES, has been appointed managing director. Mr. Oscar H. Smith joins the Board as a non-executive director and Mr. Timothy R. J. Moffatt has become financial director. Mr. Smith is a director of the parent concern, HEPWORTH CERAMIC HOLDINGS.

★

Mr. Gerald Ratner has become group joint managing director of RATNERS (JEWELLERS) with Mr. Leslie Ratner, who remains chairman. Mr. Masarrat Hussain, company secretary, joins the Board as administrative director.

★

Mr. Ken Thomas has been appointed director and general manager of the powered ventilation division of ARGOSY FENTON.

★

Sir David Nicolson, chairman of Rothmans International and formerly chairman of British Airways, and Mr. K. M. Townsend, director of group services, CIBA-GEIGY UK group, have been appointed to the Board of CIBA-GEIGY (UK) following the retirement of Lord Glenderon and Mr. J. A. Rodgers.

★

Mr. W. L. Banks has been appointed a director of the LONDON AND PROVINCIAL TRUST.

★

Mr. M. S. Campell has joined the Board of MOOLOYA INVESTMENTS as chairman. Mr. G. R. Dewson has resigned as chairman and from the Board.

★

Mr. Charles B. Robinson has been appointed by BOOZ-ALLEN AND HAMILTON INTERNATIONAL as senior vice president and partner in charge of operations in the U.K. Before joining Booz-Allen, Mr. Robinson was a director and partner at consulting partners—Ward Howell.

★

INTERLEASING (U.K.) (part of the Hanger Investments Group), has been reorganised into two main divisions, marketing and administrative services. Mr. Geoff Becque has become director of marketing and Mr. Peter Martin director of administrative services.

★

Mr. Francis Higgins has become deputy managing director of THOMSON TRAVEL and will head a division which includes systems, group hotels and personnel. Mr. Roger Davies has been made assistant managing director (tour operating) and will have overall responsibility for the marketing, commercial and continental functions of Thomson Holidays in the U.K. and overseas. Mr. John MacNeill, previously marketing controller, has been appointed marketing director of Thomson Holidays.

★

Mr. William P. O'Grady, at present commercial director of the IRISH DAIRY BOARD, has become managing director of ADAMS FOODS. Mr. Alan Boardman is to be chairman of Adams Foods on the retirement of Mr. John Adams. Both executives will report to Mr. Brian Joyce, the former managing director, who now heads the Irish Dairy Board in Dublin. Mr. Boardman, who was managing director of the provisions division, also becomes an executive director of the Irish Dairy Board.

★

Mr. H. B. Robinson, senior partner of HENDERSON CROSTHWAITE AND CO., stockbrokers, will retire on April 28 and will be succeeded by Mr. A. K. Barlow. Mr. R. W. B. Wrighton will also be leaving the firm on that date. Mr. P. W. A. Henderson and Mr. P. K. O. Crosthwaite become partners on May 1.

★

Mr. Howard Weston, assistant director of administration and legal services, Clwyd County Council, has been appointed regional legal adviser to the EAST ANGLIAN REGIONAL HEALTH AUTHORITY.

★

Mr. Walter Gibb has been appointed managing director of BRITISH AEROSPACE AUSTRALIA. He succeeds Group Captain C. W. K. Nicholls, who joined British Aircraft Corporation (Australia)—now British Aerospace Australia—in 1961 and became managing director in 1968.

HOME CONTRACTS

Lee Beesley wins £3m. British Leyland work

LEE BEESLEY, the electrical engineering division of European Ferries Group, has received a £3m. contract for electrical installation in Leyland Cars' new small car plant at Longbridge, Birmingham. The company is already carrying out an order worth more than £500,000 for electrical installation at Leyland Cars' Drews Lane transmission factory in Birmingham.

★

ROSSER AND RUSSELL (LONDON) has been awarded a contract for the mechanical services at the new J. Sainsbury/British Home Stores Sava Centre at Hempstead, near Gillingham, Kent. Worth about £333,000, work entails the provision of heating and ventilation for the store complex, which has a floor area of more than 125,000 square feet.

★

McTAY ENGINEERING GROUP, Bromborough, Merseyside, has been awarded the tankage contract worth £324,000 at the Amoco Cadishead terminal. Work at the Cadishead site, located between the A57 Manchester to Liverpool trunk road and the Manchester Ship Canal, started in November 1977 and the terminal is due to come on stream in April 1979. The McTay contract is for the supply and erection of four new tanks and the refurbishing of an existing seven. When completed, total capacity of the tanks will be in excess of 36,000 water tons.

★

POWELL DUFFRYN WAGON COMPANY, Cardiff, has been awarded a contract to convert 50 oil rail tank cars into bitumen carriers for BP Oil.

★

VICKERS-DAWSON has won an order from H. A. Job, Hanworth, Middlesex, for two 600-a-minute dairy bottling lines. These will replace two 400-a-minute lines supplied by Vickers-Dawson in the early 1960s.

★

COSSOR ELECTRONICS is to supply an advanced SSR (secondary serveillance radar) display processing system for Gatwick Airport, under a contract from the Civil Aviation Authority worth more than £170,000. The system, known as COMPASS 9000, will automatically display the identity and height of aircraft within a 40 nautical mile radius of Gatwick.

★

RUPERT NEVE AND CO. has won an order worth more than £75,000 to design two 30-channel sound mixing consoles for HTV in Bristol. Both will be specially built by Neve to provide 16 track mixdown facilities.

WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Up further 5.9 in 28m. volume

BY OUR WALL STREET CORRESPONDENT

NEW YORK, March 17

FURTHER BARGAIN hunting again sent stocks to higher levels on Wall Street to-day, when trading was the heaviest of the year.

The Dow Jones Industrial Average moved up 5.89 to 768.71, making a rise of 10.13 on the week, while the NYSE All Common Index, at $50.25, rose 37 cents on the day and 77 cents on the week. Gains led losses by more than a two-to-one margin. Trading volume further expanded 3.07m. shares to 28.47m.

Among favourable factors was a Government report of a 0.5 per cent. rise in February's Personal Income. Yesterday, the Federal Reserve reported a 0.5 per cent. rise in Industrial Production which analysts said was encouraging in view of the bad weather.

But the uncertain outlook for the dollar and inflation remain major sources of investor concern.

Interpool surged ahead $12½ to $33½—Dutch based Thyssen-Bornemisza plans an acquisition at $40 a share.

THE AMERICAN SE Market Value Index rose 0.54 to 127.33, making a rise of 1.98 on the week. Volume 3.84m. (3.10m.) shares.

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Hercules Inc.	1,719,400	14½	+1½
Ramada Inns	275,900	5¼	+½
Charter Co.	238,500	5¾	+½
St. Regis Paper	230,900	26½	−½
Marriott	229,300	12¾	+½
Inco	211,600	15½	+½
Natl. Semiconductor	207,900	17⅛	+1⅞
20th Century-Fox	198,700	27½	+½
Kennecott Copper	195,100	27½	+½
Heublein Inc.	152,100	25½	−⅛

OTHER MARKETS

Canada also higher

Canadian stock markets also moved moderately higher in fairly active trading yesterday, with the Toronto Composite Index up 2.4 to 1,046.6.

The Metals and Minerals Index put on 5.4 to 837.6, Oil and Gas 2.2 to 1,393.6, Utilities 0.37 to 103.64 and Papers 1.36 to 102.82. But Golds dropped 27.2 to 1,206.1 and Banks shed 0.45 to 248.84.

PARIS—Market buoyant in busy trading, with operators buying heavily in anticipation ruling Government Coalition will be returned in Sunday's elections.

German and Foreign stocks steady but Golds followed bullion price lower. U.S. issues and Foreign Oils fell with dollar.

AMSTERDAM — Mixed with firmer bias in quiet trading.

Internationals mostly firmer.

Hollandsche Beton Group firmed on increased dividend and higher 1977 net profit.

State Loans quietly steady.

BRUSSELS—Mixed in quiet trading.

U.K., Dutch and Canadian stocks little changed. Germans and U.S. rose, French issues firm. Gold Mines lower.

GERMANY—Firm, encouraged by steadiness of dollar against mark. Trading at times extremely lively with Chemicals gaining up to DM2.30 and Banks up to DM2.

Motors led higher by Mercedes, up DM3.50.

Bonds mixed, with Public Authority issues moving 20 pfennigs either way. Regulating Authorities sold DM3.5m. nominal of stock.

Mark Foreign issues firmer.

SWITZERLAND—Easier in thin trading.

Swissair steady on its results and dividend increase.

Losses predominated among Banks, Financials and Insurances.

Domestic and Foreign Bonds inclined easier in light volume.

Dollar stocks and Dutch Internationals narrowly mixed, Germans lower, French issues firm.

SPAIN — Weakness continued, with another ½ point fall in the index to 87.88. CIC were under pressure and down 4 to 91. Union El Fenix, however, were in demand and up 5 at 305.

MILAN—Generally easier in fairly regular trading. Pirelli EC gained L29 against general trend.

Financials mixed.

Bonds steady.

COPENHAGEN—Lower in very active dealings. Banks, however, higher. Insurances mixed.

OSLO—Banking, Insurances and Industrials quiet, Shippings irregular.

VIENNA — Generally weaker in listless activity.

HONG KONG — Firmer across the board in active trading following higher-than-expected Hong Kong Electric results.

TOKYO—Slightly lower, led by Export-Orientated issues, following yen's rise to postwar record heights against dollar in Tokyo. Volume 390m. shares.

Electricals, Vehicles and Cameras fell.

Petroleums benefited from yen's appreciation.

JOHANNESBURG—Gold shares drifted lower. Selling light.

Financial Minings mixed.

Other Metals and Minerals easier.

Industrials narrowly mixed in light trading.

AUSTRALIA—Mixed.

Pancontinental fell 40 cents to $A9.10 and Renison 26 cents to $5.84.

Coal and Allied rose 2 cents to $3.80, Central Pacific 10 cents to $2.60 and Southern Pacific 8 cents to $1.0.

Indices

NEW YORK -DOW JONES

	Mar. 17	Mar. 16	Mar. 15	Mar. 14	Mar. 13	Mar. 10	1977-78 High	1977-78 Low	Since compilat'n High	Since compilat'n Low
Industrial	768.71	762.82	756.58	762.56	759.96	756.56	999.75 (3/1/77)	742.12 (28/2/78)	1051.70 (11/1/73)	41.22 (2/7/32)
H'meB'nds*	89.72	89.75	89.80	89.87	89.85	89.72	95.87 (7/9)	89.35 (26/1/78)	—	—
Transport	207.29	205.54	205.20	205.18	201.40	201.69	246.64 (12/5)	199.51 (9/5/78)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	106.19	106.46	106.50	106.19	106.43	105.82	118.67 (22/2/77)	102.54 (22/2/78)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	28,470	25,400	23,540	24,500	24,070	27,090	—	—	—	—

* Basis of index changed from August 24.

Ind. div. yield %	Mar. 10	Mar. 3	Feb. 24	Year ago (approx.)
	6.14	6.22	6.14	4.43

STANDARD AND POORS

	Mar. 17	Mar. 16	Mar. 15	Mar. 14	Mar. 13	Mar. 10	1977-78 High	1977-78 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	99.26	98.46	97.98	98.30	97.84	97.76	118.92 (3/1/77)	95.52 (6/3/78)	134.64 (11/1/73)	3.52 (30/6/32)
Composite	90.20	89.51	89.12	89.35	88.95	88.88	107.00 (3/1/77)	86.90 (6/3/78)	125.85 (11/1/73)	4.40 (1/6/32)

	March 15	Mar. 8	Mar. 1	Year ago (approx.)
Ind. div. yield %	5.47	5.55	5.57	4.17
Ind. P/E Ratio	8.45	8.46	8.40	10.45
Long Govt. Bond yield	8.16	8.20	8.23	7.76

N.Y.S.E. ALL COMMON

Mar. 17	Mar. 16	Mar. 15	Mar. 14	1977/78 High	1977/78 Low
50.25	49.87	49.66	49.75	57.07 (4/1/77)	48.37 (6/3/78)

Rises and Falls

	Mar. 17	Mar. 16	Mar. 15
Issues traded	1,806	1,827	1,857
Rises	971	837	672
Falls	438	506	715
Unchanged	397	484	470
New Highs	76	64	45
New Lows	13	25	28

		Mar. 17	Mar. 16	Mar. 15	Mar. 14	1977-78 High	1977-78 Low
MONTREAL	Industrial	171.29	170.35	169.74	169.86	188.47 (17/3)	158.02 (25/10)
	Combined	179.07	178.69	177.84	177.18	187.85 (18/1/77)	165.60 (25/10)
TORONTO	Composite	1046.6	1044.2	1039.4	1064.1	1067.4 (10/7)	961.0 (26/10)
JOHANNESBURG	Gold	200.0	206.1	205.2	207.9	218.7 (1/2/78)	159.4 (24/5)
	Industrials	197.5	197.0	195.8	194.9	214.4 (4/1/78)	169.1 (22/6)

	Mar. 17	Previous	1977-78 High	1977-78 Low
Australia (*)	448.58	447.90	479.43 (3/1/78)	418.85 (16/2/77)
Belgium (‖)	93.24	93.45	99.12 (10/1/77)	90.43 (12/1/78)
Denmark (**)	94.63	95.06	107.92 (9/6)	94.00 (6/2/78)
France (††)	58.9	57.6	58.9 (17/3/78)	43.6 (10/6)
Germany (‡‡)	792.3	789.3	815.5 (17/11)	712.6 (10/3/77)
Holland (§§)	78.0	77.5	93.2 (4/5)	75.6 (29/9)
Hong Kong (¶¶)	423.45	417.83	425.17 (11/6)	385.44 (13.1.78)
Italy (‖‖)	61.25	62.05	75.71 (5/1/77)	54.90 (22/12)
Japan (a)	399.31	399.86	399.86 (15/3/78)	350.49 (24/11)
Singapore (b)	275.16	273.16	275.50 (15/3/78)	242.28 (5/5)

	Mar. 17	Previous	1977-78 High	1977-78 Low
Spain (d)	87.88	88.37	100.00 (30/12)	87.88 (17/3/78)
Sweden (e)	366.90	367.13	416.68 (22/3)	286.68 (24/11)
Switzerl'd (f)	289.2	292.2	323.7 (14/2/78)	280.6 (14/3/77)

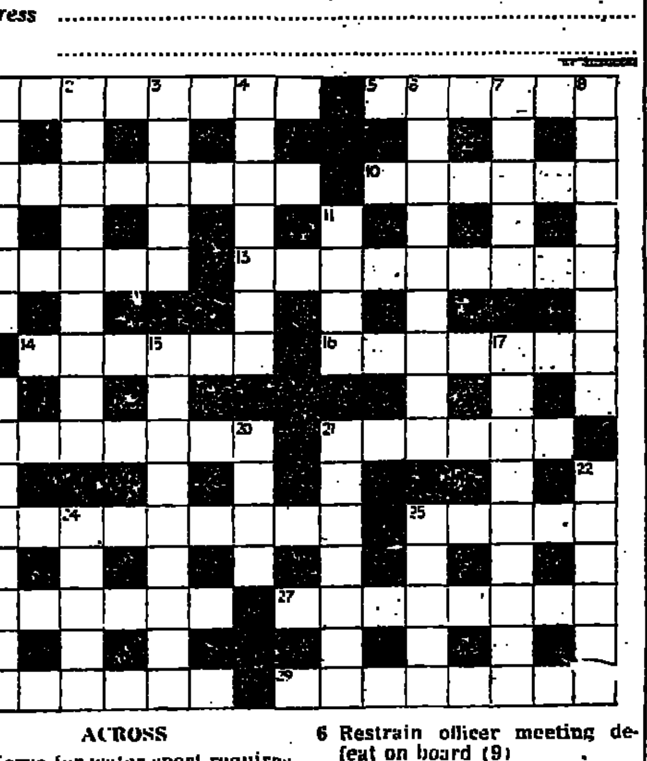
Indices and base dates (all base values 100 except NYSE All Common — 50 Standards and Poors — 10 and Toronto 300-1,000, the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (*) Sydney All Ord. (‖) Belgian SE 31/12/63. (**) Copenhagen SE 1/1/73. (††) Paris Bourse 1961. (‡‡) Commerzbank Dec., 1953. (§§) Amsterdam. Industrial 1970. (¶¶) Hang Seng Bank 31/7/64. (‖‖) Milan 2/1/73. (a) Tokyo New SE 4/1/68. (b) Straits Times 1966. (c) Close. (d) Madrid SE 30/12/77—high and low for 1978 only. (e) Stockholm Industrial 1/1/58. (f) Swiss Bank Corp. (u) Unavailable.

F.T. CROSSWORD PUZZLE No. 3,621

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



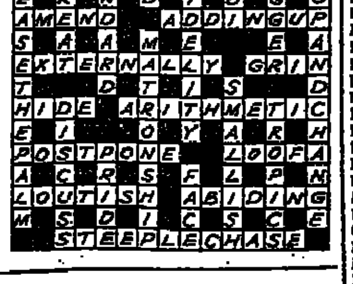
ACROSS

1 Nerve for water sport requires style in Jersey (4, 4)
5 Insight into a copper by soldiers (6)
9 Part of church whose patterns change (8)
10 Change concerning bench (6)
12 Wonderful to make self-starter fit (5)
13 Expert photograph of marksman (5, 4)
14 Vision outside left has to treat with discourtesy (6)
16 Born to walk in the bush (7)
19 Sally gets the result (7)
21 Kind of share sailor has in temporary home (6)
23 In which time is seen to be running out (4, 5)
25 Not a church member for the present (5)
26 Northern dish given to old woman by soldiers (6)
27 Chaff is no good when old (8)
28 A right to enter quarrel concerning list of duties (6)
29 Letting payment to freeholder lead split (4, 4)

DOWN

1 Drug and a call for silence for chemical (6)
2 Abandon holiday apartment (5, 4)
3 No Scots sex-appeal left of the nose (5)
4 Imitator of ape and one other animal (7)
6 Restrain officer meeting defeat on board (9)
7 Doctor Love goes to church to loiter (5)
8 Never mind lack of substance (2, 6)
11 Sting hairdresser without hesitation (4)
15 Heavens! Be kind over mourning (4, 5)
17 Excellent idea to mind roller (5, 4)
18 Far from satisfactory cooler (3, 2, 3)
20 Dash out of side lane (4)
21 Stamps job takes time (7)
22 Month taken to tie up fraud (6)
24 Foreign flower from another reign (5)
25 Nymph upset Scots boy over notice (5)

SOLUTION TO PUZZLE No. 3,620



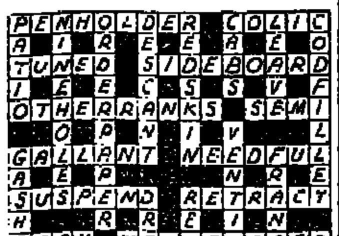
SOLUTION AND WINNERS OF PUZZLE No. 3,615

Following are winners of last Saturday's prize puzzle:

Mr. E. H. Briggs, 17 Grosvenor Court, Kenilworth Road, Leamington Spa.

Mr. J. E. Brown, 151 Kennington Road, London, S.E.11.

Mrs. P. Shovelton, Avenue Cottage, Pencraig, Ross-on-Wye, Herefordshire.



RACING BY DOMINIC WIGAN

Gold Cup switch saves bookmakers

THE ABANDONMENT of Thursday's Gold Cup at Cheltenham looks on paper to have been the "great escape day" for Britain's big bookmakers. They alone seem to have benefited from a weather freak that left thousands of racegoers, ante-post backers and Cheltenham racecourse and its suppliers, such as caterers, the poorer.

Ladbrokes, alone, feared a £250,000 pay-out on the Piper Champagne prize, a race of which the company's John Thomson said yesterday: "We would have needed something wierd to come up in the Gold Cup to have come out all right."

However, as he pointed out, the four big chains—Ladbrokes, Hills, Mecca and Coral face an administrative ordeal in sorting out thousands of void ante-post bets struck in betting shops throughout the country.

Furthermore, as is always the case, a fair proportion of punters are certain to be unaware of the fact that all ante-post bets placed on Thursday's races are void and many will feel aggrieved whatever the result when the programme goes ahead (it is hoped) on April 12.

With all ante-post bets on the Gold Cup and Daily Express Triumph Hurdle void, most of the leading companies have opened new books for the second try on April 12.

Ladbrokes have altered their prices little on the principles—going 2-1 Foot Devon, 11-4 Midnight Court, 10-1 Bachelors Hall, 12-1 Royal Frolic and 14-1 Fort Fox.

They have pushed out Brown Lad from 9-1 to 14-1—presumably in the expectation of the Dreaper gelding side-stepping the engagement in favour of the Irish Grand National on Monday week.

Rodman, one of only three losers in Ladbroke's original Triumph Hurdle book, remains a clear favourite at 9-4 with, again, little change in the odds offered against other leading fancies.

Playboy, who took a good deal of money—particularly on Irish representatives, Bourbon Street and Corrib Chieftain—in the Triumph Hurdle, offer 5-2 against Rodman who, unlike several other candidates for the April 12 race, will miss Aintree.

Fred Winter, who must have been more aggrieved than most at the weather's sudden intervention—with Midnight Court and Rodman at concert pitch for their respective events—aims for some compensation to-day at Chepstow, where Midnight Court appears to have a simple task in the Aynsley China Cup.

Cavity Hunter should get favourite backers off to a successful start in the Hare and Hounds Hurdle.

CHEPSTOW

1.30—Cavity Hunter**
2.00—Bustability
2.30—Midnight Court***
3.00—Green Path
3.30—Uncle Leslie*
4.00—Gay Heath
4.30—Somerville

Formflo deal

FORMFLO, the Cheltenham-based metal-forming company, is to supply Ford with £500,000 worth of gear manufacturing equipment for its factories at Halewood in Britain and Cologne in Germany.

SPAIN ♥

March 17	Per cent.	
Asland	104	—
Banco Bilbao	239	−3
Banco Atlantico (1,000)	200	—
Banco Central	309	—
Banco Exterior	268	—
Banco General	262	—
Banco Granada (1,000)	151	—
Banco Hispano	203	—
Banco Ind. Cat. (1,000)	163	—
B. Ind. Mediterraneo	182	—
Banco Popular	196	—
Banco Santander (250)	324	−1
Banco Urquijo (1,000)	210	—
Banco Vizcaya	202	—
Banco Zaragozano	295	−2
Bankunion	132	—
Banus Andalucia	228	—
Babcock Wilcox	24	—
CIC	91	−4
Dragados	200	—
Inmobanif	74	—
E. I. Aragonesas	48.50	—
Espanola Zinc	101	—
Fecsa (1,000)	67.50	−0.75
Fecsa (1,000)	67.50	−1.75
Fenosa (1,000)	67.25	−0.25
Gal. Preciados	57	−3
Grupo Velazquez (400)	165	—
Hidrola	70.50	−1.50
Iberduero	70	−0.50
Olarra	65	—
Papeleras Reunidas	45.25	+0.25
Petroliber	130	—
Petroleos	153	+0.50
Sarrio Papalera	57	−3
Sniace	38.50	−0.50
Sogefisa	120	—
Telefonica	80.25	−1.75
Torras Hostench	96	—
Tubacex	89	−0.50
Union Elec.	66	−0.25

BRAZIL

Mar. 17	Price Cruz	+ or −	Div. Cruz	Yld. %
Acesita	1.52	−0.03	.1	7.89
Banco Brasil PP	4.20	+0.02	.18	4.29
Banco Itau PN	1.16	+0.04	.16	13.68
Belgo Mineira OP	2.10	...	.14	6.71
Lojas Amer. OP	5.38	−0.02	.4	5.92
Petrobras PP	3.74	−0.08	.1	2.67
Pirelli OP	2.78	+0.05	.16	5.76
Souza Cruz OP	4.36	−0.02	.24	5.25
Unip PE	6.85	...	.2	2.92
Vale Rio Doce PP	1.78	−0.01	.13	7.30

Vol. 175.6m. Shares 72.7m.
Source: Rio de Janeiro SE.

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax.

♦ DM50 denom. unless otherwise stated. ♥ Ptas.500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. Φ Frs.500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs, including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

OVERSEAS SHARE INFORMATION

Inv. $ Prem. at $2.60 to £—91⅞% (93⅛%)
Effective rate at (1.9075) 40½% (42½%)

NEW YORK

Stock	Mar. 17	Mar. 16
Abbots Labs	56⅜	54⅝
Addressograph	18⅛	18⅛
Aetna Life & Cas.	35	34⅝
Air Products	27	26⅝
Airco	43	43
Alcan Aluminium	24⅞	24⅝
Alcoa	41¾	40½
Allegheny Ludl.	17⅞	17⅞
Allegheny Power	19	19
Allied Chemical	38½	37⅝
Allied Stores	20⅛	19⅞
Allis Chalmers	26⅛	25⅜
AMAX	35⅜	34⅞
[illegible]	[illegible]	[illegible]

Stock	Mar. 17	Mar. 16
Corning Glass	46⅞	46
CPC Int'n'tional	46½	46
Crane	28¼	28⅛
Crocker Nat.	24⅞	24⅞
Crown Zellerbach	31⅛	31¼
Cummins Engine	36½	37
Curt-Wright	16⅞	16⅝
Dana	20⅛	20
Dart Industries	36	36¼
Deere	25	24⅞
Del Monte	28¾	28⅝
Deltona	6⅞	6¾
Dentsply Inter.	17⅝	17¼
Detroit Edison	16⅛	16⅛
Diamond Shamrk	24⅞	24⅝
[illegible]	[illegible]	[illegible]

Stock	Mar. 17	Mar. 16
Johns Manville	30⅜	30¼
Johnson Johnson	69⅞	69¼
Johnson Controls	27⅛	26½
Joy Manufactur'g	33¼	32⅝
K Mart Corp.	24⅞	24⅜
Kaiser Aluminium	30⅛	30
Kaiser Industries	2	2
Kaiser Steel	22½	22⅝
Kay	8¼	8⅜
Kennecott	27⅛	26⅝
Kerr McGee	46⅞	45⅝
Kidde Walter	29¼	29
Kimberly Clark	41⅞	41⅛
Koppers	21½	20⅜
Kraft	45⅝	45¼
[illegible]	[illegible]	[illegible]

Stock	Mar. 17	Mar. 16
Revlon	40½	40¼
Reynolds Metals	28⅞	28⅛
Reynolds R. J.	56⅞	56
Rich'son Merrell	23¾	23¼
Rockwell Inter.	31¼	30⅞
Rohm & Haas	31	30⅝
Royal Dutch	59⅛	58¾
RTE	16	14⅞
Russ Togs	11⅞	11¼
Ryder System	15¼	14½
Safeway Stores	38⅜	38⅛
St. Joe Minerals	27½	26⅝
St. Regis Paper	26¼	25¾
Santa Fe Inds	34½	34½
Saul Invest.	5¾	5⅞
[illegible]	[illegible]	[illegible]

Stock	Mar. 17	Mar. 16
Woolworth	18⅝	18½
Wyly	5¾	—
Xerox	43⅝	43
Zapata	16⅞	16⅜
Zenith Radio	14	13⅝
U.S. Treas 4% 1980	†94¼	†94¼
U.S. Treas 4¼% 75/85	†82¼	†82¼
U.S. 90 Day bills	6.25%	6.24%

CANADA

Stock	Mar. 17	Mar. 16
Abitibi Paper	12¼	12¼
[illegible]	[illegible]	[illegible]

● Bid. † Asked. ‡ Traded. § New stock.

GERMANY ♦

Mar. 17	Price DM.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PARIS

Mar. 17	Price Frs.	+ or −	Div. Frs.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

Mar. 17	Aust. $	+ or −
[illegible]	[illegible]	[illegible]

TOKYO ¶

Mar. 17	Prices Yen	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source Nikko Securities, Tokyo.

VIENNA

Mar. 17	Price %	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

JOHANNESBURG

MINES

March 17	Rand	+ or −
[illegible]	[illegible]	[illegible]

INDUSTRIALS

	Rand	+ or −
[illegible]	[illegible]	[illegible]

Securities Rand $U.S.0.79 (Discount of 31.30%)

STOCKHOLM

Mar. 17	Price Kronor	+ or −	Div. Kr.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRUSSELS/LUXEMBOURG

Mar. 17	Price Frs.	+ or −	Div. Frs.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMSTERDAM

Mar. 17	Price Fls.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COPENHAGEN ♣

Mar. 17	Price Kroner	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWITZERLAND ●

Mar. 17	Price Fr.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MILAN

Mar. 17	Price Lire	+ or −	Div. Lire	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OSLO

Mar. 17	Price Kroner	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Record year at Swissair but profit fall foreseen

BY JOHN WICKS

ZURICH, March 17.

THE PAST year was "favourable in every way" for Swissair, according to the airline chairman, Mr. Armin Baltensweiler. The company's expectations were substantially surpassed, he said at Swissair headquarters, near Zurich.

Records were reached in all main sectors of operations last year, with total income rising 11.6 per cent. to Sw.Frs.2.43bn. ($1.3bn.), and gross profits by nearly 20 per cent. to Sw.Frs. 307.9m. Despite a rise in depreciations from Sw.Frs.213m. to Sw.Frs.256m. for the year—of which some Sw.Frs.75m. consisted of depreciations over and above the regular amount—net profits were up to Sw.Frs.51.9m. ($27.5m.), from Sw.Frs.43.9m. the previous year.

The Board is to recommend payment of a record dividend of Sw.Frs.35 per share. This compares with an annual Sw.Frs.30 distribution for every year between 1969 and 1976 except 1975, when the dividend was reduced to Sw.Frs.20.

A breakdown of the income total for last year shows an improvement in that from scheduled air services from Sw.Frs.1.68bn. to Sw.Frs.1.9bn. Elsewhere in the field of airborne operations, income from charter and special flights totalled Sw.Frs.21m. (Sw.Frs.20.7m.) and that from miscellaneous traffic sources Sw.Frs.59.7m. (Sw.Frs. 54.31m.). Income from the letting-out of aircraft and reserve material rose to Sw.Frs.16.28m. (Sw.Frs.12.6m.), while that from ground organisation services, catering, tax-free shops, technical services and allied sources was up to Sw.Frs.371.65m. (Sw.Frs. 336.85m.). Earnings for participations and other sources fell to Sw.Frs.64.73m. (Sw.Frs.75.4m.).

The airline is now seriously concerned at the strengthening of the Swiss franc in relation to other currencies since last autumn. In 1977 alterations in the exchange-rate sector brought about a net loss of potential earnings of some Sw.Frs.40m. In view of the monetary situation, Swissair is not expecting a repeat in 1978 of last year's growth.

"The grapes will be hanging much higher this year," said Mr. Baltensweiler. He expressed concern at the currency picture and the development of air tariffs. The airline would also have to consider problems connected with fleet expansion—with "far-reaching decisions" due to be made during the year—and the question of Swiss airport capacity.

Finance director Dr. Martin Junger said that, unlike the situation last year, income will certainly grow less fast than Swissair's actual operations in 1978. He forecast that the airline's capacity offer and its transport performance would rise by some 5 to 6 per cent., with income staying at about the 1977 level. This would point to a fall in net profits for this year.

Sandoz lifts profit and holds payment

BY OUR OWN CORRESPONDENT

GROUP TURNOVER of the Swiss-based chemical concern, Sandoz was up by 16 per cent. last year to Sw.Frs.4.77bn. ($2.5bn.), according to the Basle parent company, Sandoz AG. This sales figure included for the first time turnover of the U.S. seedsman company Northrup King. Exclusion of this firm from the group total shows a 6 per cent. increase for 1977.

Gross profit of the Sandoz group rose from Sw.Frs.242m. to Sw.Frs.294m. last year. After deduction of book losses from exchange-rate alterations, net group profits were of Sw.Frs. 214m. ($113m.), against Sw.Frs. 144m.

The parent undertaking, whose net profits went up from Sw.Frs. 71.5m. to Sw.Frs.78.1m. last year, is to suggest distribution of an unchanged dividend of a gross Sw.Frs.65 per share and Sw. Frs.13 per participation certificate, sums equal to a 26-per cent. dividend rate. Stock issued during last year will be entitled to a half-dividend.

Zurich issue take-up

THE CITY OF ZURICH'S Sw.Frs.60m. 15-year 3 per cent. conversion loan was fully subscribed at its issue price of 99 per cent., according to primary market sources.

Interim setback at David Jones

BY JAMES FORTH

SYDNEY, MARCH 17.

DAVID JONES, a major department store retailer, suffered a 28 per cent. fall in profit in the first half of 1977-78—the only retailer to report lower earnings.

Earnings of David Jones fell from $A5.7m. to $A4.08m. ($U.S.4.7m.), but the directors expressed hope for an improvement in the second half.

They said that February sales had shown signs of improvement and that tax cuts and the reduction in inflation should lead to increased consumer confidence and spending. The group's main problems appear to lie with its Australian operations. Group domestic sales in the January half edged up only 3.29 per cent. to $A204m. ($U.S.233m.), a fall in real terms. The U.S. subsidiaries raised sales 10.5 per cent. to $U.S.50m. ($A43.7m.).

The interim dividend is maintained at 4 cents a share.

* * *

THE IMPRESSIVE growth of major New South Wales brewery Tooheys, came to a halt in the January half year. The company managed only a fractional gain in profit from $A3.53m. ($3.1m.) to $A3.57m.

The directors cited several reasons for the sluggish earnings performance, industrial disputes and additional costs incurred in the commissioning of a new brewery in Sydney among them.

The wine market remained "flat" during the six months but the NSW beer market edged up three per cent., with packaged beer up 9.5 per cent., against a marginal decline in bulk beer sales. The directors said that restructuring associated with the introduction of the modern new brewery would make its full impact in 1978-79. Interim dividend is held at 3.75 cents a share.

Foreign banks move into U.S.

NEW YORK, March 17.

INROADS by foreign banks into the U.S. banking market continued at a fairly rapid pace during 1977, and this development is regarded by some New York bankers as a factor in the sluggish pattern of commercial and industrial loan growth reported by major New York reporting banks.

According to Federal Reserve Bank data, assets of reporting foreign banks in the U.S. rose almost 15 per cent. between November 1976 and November 1977, from $67.6bn. to $77.7bn.

At year end 1977, assets of foreign banks stood at $83.6bn., but a Fed spokesman said the November figures are more indicative of the situation since year end distortions run into the January figures.

According to bankers, though, further growth in the foreign bank assets has occurred since November, and they estimate these assets are now well in excess of $80bn.

The growth of foreign banks compares with an advance of about 9 per cent. in assets of weekly reporting large U.S. commercial banks in 1977.

According to Fed data, total assets of weekly U.S. reporting banks for the week ended December 28, 1977 were $609.6bn., up $56bn. from a year earlier.

While much recent growth of the foreign banks is based on expansion of clearing transactions and money market activities, commercial and industrial lending represents a significant share of business and of growth.

Reuter

Investment in Canada

OTTAWA, March 17.

THE CANADIAN Government has rejected a proposal by a South African-based concern, Arnold Garber Pty. of Johannesburg, to establish a business in Toronto to provide computer consulting services. The proposal did not provide "significant benefit to Canada" as defined in the Foreign Investment Review Act, the Government said.

However, five other projects were allowed. These included:—

A proposal by Audio Research, Lombard, Illinois, to establish a business in Toronto to compile and market records and tape collections for sale through mail orders.

A proposal by Browning-Ferris Industries of Toronto controlled by Browning-Ferris Industries of the U.S. to acquire control of Go Lift Disposal Systems of Weston, Ontario.

A proposal by Marvel Manufacturing, San Antonio, Texas, to establish a business in Montreal to manufacture dry cleaning and laundry equipment.

A proposal by Petrol Oil and Gas Properties Partnership, controlled by West German citizens, to establish an oil and gas exploration development and production business in Calgary.

A proposal by Newell Manufacturing of Prescott, Ontario, controlled by Newell Companies of the U.S., to acquire Dixon Red Devil of Mississauga, Ontario, a manufacturer of paint accessories and painters' tools, controlled by Red Devil Inc. of the U.S.

AP-DJ.

New set of accounts ordered from KSH

By Charles Batchelor

AMSTERDAM, March 17.

A COURT has ordered Royal Scholten Honig (KSH), the troubled starch and foodstuffs group, to present a new set of accounts for the year 1974-75. KSH made a loss of at least Fls.15.9m. in that year instead of the profit of Fls.50,000 shown by the original accounts.

KSH transferred Fls.15.9m. to its profit and loss account from the revaluation of its stocks in that year, instead of, as in previous years, transferring it to reserves. KSH may have had good reason for this change in procedure, but in that case it should have been stated in its annual report, the Economic Chamber of the Amsterdam District Court said in its judgment.

It awarded costs for the action, which was brought by a shareholders' group, Foundation for the Investigation of Business Information (SOBI), against KSH.

KSH, which has reported growing losses in subsequent years, culminating in a forecast loss of between Fls. 40-50m. in the current year, has two months to present new accounts for 1974-75, the court said. It ordered its recommendations to be applied to subsequent accounts of KSH.

The company is, therefore, likely to be required to draw up new accounts for 1975-76. It has only presented unaudited accounts for 1976-77 so far because the restructuring of the company which is presently taking place prevents a proper valuation of its assets.

The court also criticised KSH's method of accounting for revaluations of machinery and buildings. It did not take into account potential tax obligations when it transferred an increase in the value of these items to reserves.

KSH said it is studying the court's judgment before deciding whether or not to appeal.

Higher dividend at HBG

By Our Own Correspondent

AMSTERDAM, March 17

HOLLANDSCHE Beton Group (HBG) Holland's largest construction company, announced an increase in its 1977 dividend and plans for a one for 30 scrip issue. At the shareholders' meeting on May 11 the Board will propose a final dividend of Fls.5.40 cash per Fls.20 nominal ordinary share taking the total 1977 dividend to Fls.6.40. It paid a total dividend of Fls.6 in 1976.

This time it proposes issuing one new share for every 30 already held with the new shares ranking for dividend from 1978. Last year it made a 75th jubilee scrip issue of two new shares for every 25 held.

Net profit rose 38 per cent. to Fls.48.6m. From Fls.35.2m. on turnover up 19 per cent. to Fls.2.44bn. from Fls.2.04bn. Net profit per share was 27 per cent. higher at Fls.22.79 compared with Fls.17.93. The company's order book totalled Fls.3.4bn. at the end of 1977 compared with Fls.3.29bn. a year earlier.

The profit improvement came primarily from HBG's foreign activities which accounted for around 60 per cent. of total turnover. The company expects its result to improve further in the current year.

HBG comprises more than 100 companies active in general construction, housing, civil engineering, dredging and offshore engineering. It will publish its annual report on April 25.

NMB to expand abroad

By Our Own Correspondent

AMSTERDAM, March 17.

THE GROWING saturation of the banking services market in Holland means Nederlandsche Middenstandsbank (NMB) will increase its activities abroad. NMB, which specialises in providing finance to small and medium-sized business, sees openings in the Middle and Far East and in South America, managing Board chairman Mr. W. E. Scherpenhuijsen Rom said.

The bank will consider the possibility of opening its own branches or of co-operating with its partners in the Inter-Alpha bank group in joint ventures. NMB, which is the last of the major Dutch commercial banks to expand abroad, has recently opened full branches in Beirut, New York and Sao Paulo. It is represented in Hong Kong, Singapore, Tehran and Tokyo through the Inter-Alpha group.

NMB earlier announced a 26 per cent. rise in net profits in 1977 to Fls.98.2m. from Fls.77.9m. the year before. Its balance sheet total was 22 per cent. higher at Fls.27.3bn. The improved profit came largely from the increase in business volume, while interest margins were narrower than in 1976.

Total credit granted rose 29 per cent. to Fls.15.9bn., but the bank remained within the credit limits imposed by the central bank. It expects no easing of these limits. Talks with the central bank over an extension of the curbs into the second quarter of 1978 will be held to-day.

Change at Olivetti

Roberto Olivetti has resigned the vice presidency of C. Olivetti and Co., manufacturers of computers and office machines. He will remain on the Board.

Mr. Olivetti explained that his resignation was due to the "incompatibility" of the vice presidency at Olivetti with the position he has accepted as general director of Fime, a state-holding financing technologically advanced operations in Italy, including possible enterprises and ventures of Olivetti.

Meanwhile, Olivetti Spa., whose short-term indebtedness is estimated at L90bn., is expected to make a profit for 1977 after four years of losses. Estimates put last year's profits at L4bn. out of total sales of L1,365bn.

Swedish papermaker dips into red: no dividend

BY WILLIAM DULLFORCE

STOCKHOLM, March 17.

MODO, the Swedish pulp and paper group, slumped into the red last year with a pre-tax loss of Kr.229m. ($49.8m.) and expects to make a further loss in the current year.

The 1977 deficit is less than the Kr.250m. loss forecast in October but nevertheless represents a decline of Kr.281m. from 1976. Group sales just passed Kr.2bn. ($435m.), an increase of 11 per cent.

After appropriating Kr.249m. from reserves, the 1977 account shows a net after tax profit of Kr.13m., while after bringing out untaxed reserves the parent company reports a net profit of Kr.24.8m. The Board, however, proposes to pass the dividend. In 1976 the dividend was cut by Kr.0.25 to Kr.6.50 a share after earnings had tumbled by Kr.167m.

MoDo's losses this year will depend on both pulp price developments and the fluctuations in the U.S. dollar. A change of Kr.0.01 in the dollar rate affects group results by some Kr.2m. a year.

MoDoCell, the group's pulp manufacturing division, was responsible for Kr.26m. of the Kr.33m. operating loss. By contrast both fine paper and soft paper production moved out of the red, recording operating profits of Kr.11m. and Kr.2m. respectively. The rest of the operating loss was made by the engineering companies.

The big increase in group borrowing last year is underlined by the Kr.73m. rise in net financial items to Kr.182m. MoDo hopes to avoid any further increase in net borrowing this year "provided that the currency situation and the state of the market improve within a reasonable time." Pulp stocks should return to normal by the middle of this year and investments will be cut drastically over the next few years.

It should be noted that a Kr.70m. write-down of pulpwood stocks to comply with the fall in pulpwood prices has been charged to the 1977 account, as have Kr.10m. in trimming costs on new paper machines.

The Board proposes to write up from Kr.30m. to Kr.230m. the book value of its 49.43 per cent. holding in the Harrsele Power Company. Of this increase Kr.10m. will be used to write down the value of other shares, while Kr.190m. will be allocated to a special appreciation fund. The intention is for the balance sheet to give "a more correct picture of the true value of assets and of the relationship between equity and outside capital."

Iggesund pays same

IGGESUND, the Swedish paper, board and timber company with subsidiary interests in steel and chemicals, proposes an unchanged dividend of Kr.7.50 a share on the 1977 account despite a loss for the year, writes our Nordic correspondent from Stockholm.

A pre-tax loss of Kr.8m. ($1.74m.) before extraordinary items compares with a profit of Kr.52m. in 1976. An extraordinary income of Kr.9.2m. gives an income before allocations and taxes of Kr.1.2m. Sales rose by 7.7 per cent. to Kr.1.37bn. ($298m.).

The pre-tax figure includes stock gains of Kr.11.1m. Net interest costs rose by Kr.16.5m. to Kr.49.9m. and a further Kr.10m. has been charged to the account for currency losses on the long-term foreign debt.

Billerud worse than forecast

BY OUR NORDIC CORRESPONDENT

STOCKHOLM, Mar. 16

EARNINGS OF Billerud, the Swedish forest products concern, plunged by Kr.177m. into a pre-tax loss of Kr.120m. ($26m.), according to the preliminary report released to-day. The loss is greater than forecast at the eight-month stage. The Board proposes to cut the dividend to Kr.4 a share, which would be comparable with Kr.6.80 a share after adjusting for last year's scrip issue.

Sales grew by less than Kr.60m. to Kr.1.46bn. ($318m.). The Kr.120m. loss is struck after cost-calculated depreciation and would be reduced by Kr.40m., where depreciation according to plan applied. On the other hand, it includes an estimated Kr.24m. in stock gains.

Even after planned depreciation Billerud shows an operating loss for the year of Kr.12m. compared with an operating profit of Kr.140m. for 1976. The adjusted loss per share is given as Kr.40.50 against earnings of Kr.8 a share in the previous year.

A breakdown of the operating profit after planned depreciation shows that the profit collapse stems almost entirely from the pulp, paper and timber operations in Sweden. These report a loss of Kr.105m. against earnings of Kr.67m. in 1976. In contrast Billerud's Portuguese pulp company, Celbi, earned Kr.44m. last year, the packaging division turned in Kr.23m. and the group's power stations more than doubled earnings to Kr.35m.

Billerud shows a net profit after tax of Kr.29m. against Kr.37m. after transfers from the parent company reserves. These transfers allow the company to take advantage of special tax deductions on its investments. Capital spending last year was cut by Kr.68m. to Kr.122m.

Kockums warning for unions

BY OUR NORDIC CORRESPONDENT

STOCKHOLM, March 17.

THE management of Kockums, the Swedish shipbuilding and industrial group, to-day warned union representatives that it would have to lay off 600 blue-collar workers and 300 office staff in the autumn. Kockums reported yesterday a pre-tax loss of Kr.65m. ($14.1m.) on its 1977 account. The Malmoe Shipyard, which still turned in earnings of Kr.70m. last year, will slump into the red this year.

Kockums said in a communique that it had tried several ways of coping with the labour overcapacity in the yard, the parent company and the computer systems unit. These had included alternative projects, 30,000 man-hours spent on retraining and Labour Market Board employment grants. Neither these measures nor the natural wastage of the labour force would be enough to meet the situation that would arise in the autumn.

Union members believe that the company move was designed to press the Government into granting credit guarantees for the third LNG carrier, which Kockums wants to build on its own account. But the Government also faces a massive call for new capital from Svenska Varv, the State shipbuilding group.

Svenska Dagbladet, the Stockholm daily, reported this morning that the restructuring analysis just completed by the Svenska Varv management indicated that the State shipyards would need more than Kr.5bn. in public funds for the 1978-81 period. And this figure did not include the Kr.1.85bn. required to cover the 1977 losses and restore Svenska Varv's share capital.

Mr. Nils-Hugo Hallenborg, Kockums' managing director, later described as "a foolish statement" the report that his company was announcing redundancies in order to bring pressure on the government. He hoped that Kockums would obtain a new order in the spring which would enable it to withdraw the redundancy notices. Talks were underway with a possible customer.

Balken results below target

BY OUR NORDIC CORRESPONDENT

STOCKHOLM, March 17.

BALKEN, the Swedish construction group, has reported provisional pre-tax earnings for 1977 of Kr.26.1m. ($5.7m.) on a turnover of Kr.3.29bn. ($701m.). Sales were ahead by just over 11 per cent. compared with 1976 but the profit figure dropped by over Kr.4m. and did not meet the Kr.33m. forecast made in the eight-month interim report.

However, the 1976 account included an extraordinary loss of Kr.11.7m. as a reserve for supplementary wage payments, which was not repeated last year, so that the 1977 pre-tax figure before allocations comes out Kr.7m. ahead. The group shows a net profit after tax of Kr.17.5m. against Kr.20.9m. and the Board proposes to pay an unchanged dividend of Kr.6 a share.

The order intake during the year was up by Kr.350m. to Kr.3.5bn., leaving an order book at the end of the year of Kr.1.8bn. ahead by Kr.150m. compared with the position at the end of 1976.

During 1977 Balken completed the merger of its two largest subsidiaries, Armerad Betong and ABV, but at a higher cost than originally calculated. Another factor contributing to the curb on profit development was the increase in planned depreciation of over Kr.15m. to Kr.64.5m.

Go-ahead for Tandberg takeover

BY FAY GJESTER

OSLO, March 17

A TEMPORARY state takeover of Norway's troubled Tandberg electronics concern, to help it back into profits, was unanimously approved this week by parliament.

The move will cost taxpayers a total of Kr.240m., ($45m.), including Kr.120m. of new share capital, Kr.55m. in loan write-offs, Kr.50m. in loan guarantees, and Kr.15m. to be spent on research and development.

The vote clears the way for the appointment of a new Board, which is expected to take some tough decisions involving the closure of several Tandberg plants in Norway. The concern's plant at Haddington, in Scotland, is not, however, expected to be one of the casualties.

William Jacks takes control of associate in U.K.

BY H. F. LEE

SINGAPORE, March 17.

WILLIAM JACKS and Co. (Malaya) Berhad has announced that it has acquired 100,000 shares in its U.K. incorporated associate company, William Jacks and Co. Ltd. at a price of 26p per share.

With the acquisition, the group's holding in the U.K. company has been raised from 48.35 per cent. to 50.2 per cent.

As a result, William Jacks and Co., which is active in motor car distribution and retailing, providing documentary credit facilities and trading in Zambia is now a subsidiary of the group and its results will be consolidated with those of the group.

The group said that the pre-tax profit of its U.K. company for the current year, ending June, will not be less than the previous year's figure of £300,000.

The group's interim report showed a further deterioration in its condition.

For the half-year to December, William Jacks and Co. (Malaya) Berhad recorded an after-tax loss of 1.09m. ringgit ($US460,000) against a net profit of 18,000 Malaysian ringgits in the corresponding half year of 1976.

The pre-tax loss was 533,000 ringgits, compared with a gross profit of 326,000 ringgits previously.

Group sales declined by 7.8 per cent. to 36.15m. ringgits, while operating profit fell sharply by 72 per cent. to 334,000 ringgits, reflecting drastic declines in trading margins.

William Jacks said that although the results have been unfavourable compared with the corresponding half year of 1976, group sales have been maintained at the same level as the preceding six months and earnings have shown an improvement over that period.

However, it warned that no significant market improvement is expected during the second half year.

The group is largely involved in the trading of building and engineering materials and equipment in Singapore and Malaysia, and is an associate company of Ocean Transport and Trading's Singapore subsidiary, Straits Steamship Company.

May stores buy

May Department Stores and Jewel Companies have agreed in principle for May's Venture Discount division to acquire 19 of Jewel's 22 Turnstyle self-service department stores, Reuter reports from Chicago. Terms were not disclosed.

German Massey drops U.S. exports

By Adrian Dicks

BONN, March 17.

MASSEY-Ferguson-Hanomag, the West German construction machinery subsidiary of the Canadian group, announced to-day that it has had to suspend exports to North America because of exchange rate difficulties, and warned that extensive short-time working is likely to become unavoidable.

In blaming the decline of the dollar against the Deutschemark directly for this situation, the announcement provides some of the starkest evidence yet of the dangers which German Ministers fear could affect hundreds of other engineering companies.

The company, based at Hanover, builds tracked vehicles and loading equipment among its range of products, and it is sales of these to the U.S. market, in particular, that have now had to be suspended.

According to a statement released by the company, Massey-Ferguson's Italian subsidiary has also suspended its exports to the U.S. market of hydraulic excavators.

To-day's statement said that the management and works council of Hanomag had reached basic agreement on the need to introduce short-time, but added that the details and extent of this have yet to be settled.

About 70 per cent. of the plant's output is exported, with about half of this figure denominated in dollars. Hanomag has some 3,500 employees.

Bought from the Rheinstahl group by Massey-Ferguson in 1974, Hanomag had already suffered considerable erosion of some of its markets for several years. Since the takeover it has experienced further several difficult patches as a result of the depressed state of demand for many types of machinery in West Germany and abroad.

Loss at Arbed

Financial Times Reporter

NET losses of Lux.Frs.4.5bn.—some $140m.—in 1977 are announced by Arbed, the biggest single employer in Luxembourg and one of the top ten European steelmakers.

The latest deficit compares with a net loss of Lux.Frs.1.3bn. in 1976 and losses of Lux.Frs.3bn. in 1975. Once again the company is not paying a dividend.

Turnover last year declined by around 5 per cent. to Lux.Frs.35.4bn. ($1.1bn.). This problem of weak sales was compounded by the "insufficiency of selling prices which were well below production costs."

Arbed is currently at the centre of major restructuring of the steel industry in the Saarland.

Advance at Fingest

MILAN, March 17.

FINGEST, the holding company controlled by Montedison, increased net profits by 28 per cent. to L8.12bn. ($950m.) in 1977 from L6.33bn. in 1976.

AP-DJ.

Schlesinger Far East Fund Limited

Incorporated with limited liability in Jersey under the Companies (Jersey) Laws 1861 to 1968

This announcement is issued in connection with a placing of Participating Redeemable Preference Shares (the "Shares") of Schlesinger Far East Fund Limited (the "Company") at a subscription price of £1 per Share

BOARD OF DIRECTORS

Manfred David Moross (*Chairman*) (*South African*), *Chairman, Schlesinger European Investments Limited*, 3 Bolney Gate, Ennismore Gardens, London SW7.
Peter Charles Baker, M.A., F.C.A., *Managing Director, Schlesinger Investment Management Services Limited*, 2 Fairway Close, West Common, Harpenden, Hertfordshire.
Alan Miles Corbin, *Member of The Stock Exchange, and of Sheppards & Chase*, La Clochette, St. Martin, Jersey, Channel Islands. **Neil Harvey Dangerfield**, *Director, Trevor Matthews & Carey Limited*, Le Petit Menage, Vinchelez, St. Ouen, Jersey, Channel Islands.
Alan Brodie Henderson, *Director, Schlesinger Investment Management Services Limited*, 6 Lowndes Place, London SW1. **Robert James Howe**, *Director, Schlesinger International Management Limited*, Le Buissonnet, La Rue Malo, Grouville, Jersey, Channel Islands.
David Sant Innes, *Member of The Stock Exchange*, La Rochelle, Sausmarez Road, St. Martin's, Guernsey, Channel Islands. **David Oswald Moon**, *Solicitor of the Royal Court of Jersey*, Les Chenolles, St. John, Jersey, Channel Islands.
Richard Keith Timberlake, *Managing Director, Schlesinger Trust Managers Limited*, Emley Hill House, Bowlhead Green, Nr. Godalming, Surrey.

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41 La Motte Street, St. Helier, Jersey, Channel Islands

DIRECTORS OF THE MANAGERS
Manfred David Moross (*Chairman*)
Peter Charles Baker, Alan Miles Corbin, Neil Harvey Dangerfield, Alan Brodie Henderson, Robert James Howe, David Sant Innes, David Oswald Moon, and Richard Keith Timberlake, all as above; and
Douglas David Aitken, 16 Byron Road, Harpenden, Hertfordshire; and
Geoffrey Steuart Fairfax Piper, La Rue Freule, St. Ouen, Jersey, Channel Islands.

INVESTMENT ADVISERS
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SECRETARIES, REGISTRARS AND ADMINISTRATION AND REGISTERED OFFICE
Schlesinger International Management Limited,
41 La Motte Street, St. Helier, Jersey, Channel Islands

AUTHORISED SHARE CAPITAL

100 Founders' Shares of £1 nominal each issued and fully paid.
500,000 Participating Redeemable Preference Shares of 1p nominal each now being offered for subscription and to be fully paid.
9,500,000 Unclassified Shares of 1p nominal each available for issue.

Unclassified Shares will be issued as Shares for the purpose of satisfying applications for placing and as Nominal Shares for the purpose of facilitating the redemption of Shares (see below).

As at 14th March, 1978, the Company had available the loan facility described below under the headings "Foreign Currency Loan Facility" and "Borrowing Arrangements". Apart from this and the arrangements for the redemption of Shares and Nominal Shares of the Company referred to below under the headings "How to Realise Shares" and "Capital Structure", the Company, had at that date no loan capital or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances or acceptance credits, mortgages, charges, hire purchase commitments or guarantees (or save as disclosed herein) other material contingent liabilities.

BANKERS
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AUDITORS
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BROKERS TO THE ISSUE
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and at The Stock Exchange
Joseph Sebag & Co.
3 Queen Victoria Street, London EC4N 8DX, and at The Stock Exchange

INTRODUCTION

The Company has been established to provide residents of the Scheduled Territories with an opportunity to participate in a managed portfolio of investments principally in Japan and the Far East, many of whose economies have, in recent years, grown significantly faster than those of the remainder of the free world.

It is expected that the Company will, initially, enjoy a somewhat higher yield than is usual for a fund investing in the Far East because of the investment of sterling deposits in British Government securities (see below).

The Company has the same open-ended characteristics as a unit trust. It may issue and redeem Shares at prices based on net asset value.

Shareholders, whose initial investment exceeds £2,500, will receive the Schlesinger "PIMS" service, designed specifically for larger investors (see under "PIMS Service" below). The "PIMS" Personal Investment Management Service includes regular investment reports, valuations and informal meetings with the Managers in Jersey and other centres.

INVESTMENT POLICY

The Company's objective is long term capital growth obtained from a managed portfolio of investments principally in Japan and the Far East. It is the Directors' present intention that the Company's portfolio will be built up gradually so that the preponderance of the net assets is invested in securities issued by Japanese companies. The Directors expect that, in normal circumstances, there will also be a proportion of the portfolio invested in Hong Kong and the smaller Far Eastern stock markets or in companies trading in that area. The Directors may, however, vary the portfolio structure from time to time in the light of changing economic and market considerations.

When investment is made by way of the foreign currency loan facility referred to below the Company is required to maintain a deposit of cash and/or securities with the lender. Part of this deposit may consist of a sterling cash deposit or be invested in British Government securities, depending on the Directors' views of future interest rates and other factors. At times when any part of the deposit is invested in British Government securities, the net asset value per Share of the Company will change, not only with the change in value of the Far Eastern investments, but also with the change in value of such British Government securities. The proportion invested in such British Government securities and the yield therefrom will also have a material effect on the yield of the Shares.

THE JAPANESE ECONOMY

The Far Eastern economies of the free world are dominated by that of Japan, which accounts for approximately 10.5 per cent. of OECD Gross National Product, compared with U.S.A. 46.2 per cent., Germany 8.6 per cent., U.K. 5.4 per cent. The majority of Japan's post-war economic history has been marked by a high rate of real economic growth. The increase in the price of oil in 1973 and the world-wide recession which followed, resulted in Japan experiencing negative real growth in 1974 for the first time since the war, coupled with high inflation. Since then, however, the economy has recovered strongly, achieving a real growth rate of 5.7 per cent. in 1976 and 4.9 per cent. in 1977. Japan is now having to adjust from being a fast growth economy to one of more moderate growth. The Managers, however, consider that in the foreseeable future Japan's rate of growth will still be one of the highest in the developed free world.

The success of Japan's exporting industries has been a major contributor to its recent economic recovery. This has resulted in a large balance of trade surplus which has been achieved despite the country being dependent upon imports for over three-quarters of its energy requirements, and having been in deficit in 1973. These successes have been reflected in the strength of the yen and have also caused criticism from other international trading nations and groups particularly the United States and the E.E.C., which are concerned at the imbalance of trade with Japan.

The rate of inflation in Japan has now been reduced from a peak of over 26 per cent. per annum in October, 1974 to 4.8 per cent. per annum in 1977.

An important feature of the economy is the high personal savings ratio compared with other developed countries. *Because of this high savings ratio Japan has, for many years, enjoyed a comparatively high level of* capital investment.

Uncertainties exist about the short-term performance of the Japanese economy and of individual companies, as they do for most major economies at present, but during the last 25 years Japan has proved its ability to adapt quickly and successfully to changing economic circumstances, and the structure of its industry and society is likely to ensure that Japan remains a major force in the world's economy.

The table above shows the relative international size of the corporate sector of the Japanese stock market. It is twice the size of the U.K. and is nearly three-quarters that of all the European stock markets combined. It will be noted that the U.S., Japanese and U.K. stock markets represent almost 80 per cent of the combined value of world stock markets listed in the table.

A diversified portfolio of international securities should, for these reasons, contain *investments in Japan and the Far East.*

MARKET CAPITALISATION OF WORLD STOCK MARKETS COVERED BY "CAPITAL INTERNATIONAL PERSPECTIVE" (as at 30th December, 1977)

	US $Bn	*% of Total World Markets covered by Capital International Perspective*
U.S.A.	793.9	57.2
Japan	205.1	14.8
U.K.	96.4	7.0
Germany	65.1	4.7
Canada	54.8	4.0
Switzerland	32.4	2.3
France	27.0	1.9
Australia	23.3	1.7
Netherlands	18.7	1.4
Spain	14.5	1.1
Hong Kong	11.0	0.8
Belgium/Luxembourg	10.1	0.7
Sweden	7.9	0.6
Italy	7.0	0.5
Singapore	6.8	0.5
South African Gold Mines	6.4	0.4
Denmark, Austria and Norway	6.4	0.4
(*Source:- Capital International Perspective I, 1978*)	$1,386.8	100.0%

Taking a medium term view, investment in Japan is favoured for the following reasons:—

1. There is a stable, organised Government, committed to capitalism and the promotion of a sound business environment, with an emphasis on conservative monetary and economic management.
2. Government expenditure as a proportion of GNP is low compared with highly developed western economies.
3. There is a large, well educated population (over 90 per cent. of Japanese students attend senior high school during the course of their academic career) with a reputation for hard work and a highly developed sense of national identity.
4. The organisation of industry, management and labour ensures generally harmonious labour relations.
5. There is a strong trade balance and a long established record of growth in GNP despite limited domestic supplies of raw materials and energy.
6. Japan traditionally enjoys a high savings ratio (1970-76 approximately 22 per cent.) which helps to maintain capital investment.
7. Japan has a well established record of achievement in the field of "high technology".
8. There is an increasingly sophisticated financial environment and a large stock market by international standards as the table above demonstrates.

SCHLESINGERS

The Schlesinger Group was founded in 1902 and conducts its activities in the United Kingdom through Schlesinger European Investments Limited ("SEI"), which is now the Group holding company. Schlesinger Investment Management Services Limited was formed in 1973 as a subsidiary of SEI and together with its subsidiaries and associates, including the Managers, undertakes the management of the portfolios of the Group companies and their clients including those of Schlesinger International Fund (Jersey) Limited, Schlesinger International Fund (Luxembourg) S.A., Schlesinger American Investments Limited, Schlesinger American Options Limited and Schlesinger Gilt Fund Limited. These portfolios, whose aggregate values now exceed £100 million, include the Schlesinger Group unit trust and insurance portfolios as well as pension fund and private client accounts.

THE SCHLESINGER INVESTMENT APPROACH

The portfolio of the Company will be managed according to the established Schlesinger approach of:—

- an emphasis on fundamental investment values, as measured by dividend yields, price earnings ratios and asset cover rather than on short term market movements;
- conservative but flexible management;
- an emphasis on quality stocks with a concentration of major market capitalisation stocks for the greater part of the portfolio;
- a close assessment of risk as a principal factor in formulating strategy—whilst equities and risk cannot be dissociated, considerable importance is attached to the avoidance of unnecessary risk.

FOREIGN CURRENCY LOAN FACILITIES

Schlesingers have specialised in the analysis of the alternative routes available for overseas investment from the United Kingdom and especially the analysis of the use of foreign currency loan facilities compared with the investment currency premium market. Since 1974, Schlesingers have been firm advocates of the use of the loan route and have stressed the dangers of the investment currency premium, which, in the event, has proved to be volatile. Despite the recent abolition *of the "25 per cent surrender rule", it is the Directors present intention to invest largely by means of foreign currency loans.* The merits of both routes are, however, under constant review.

DIVIDEND POLICY

As stated above, the Company's investment objective is capital growth. It is, however, intended that a substantial proportion of the net income of the Company will be distributed annually in the month of August commencing in August, 1979. In current conditions the net cost of foreign currency borrowing and administration expenses would be greater than the Company's foreign currency income so that the income available for distribution will be earned largely from investments in British Government securities and bank deposits. Although it is hoped that distributions will increase in the long term, they will be particularly dependent on the proportions of the assets of the Company which are held in cash deposits and British Government securities and on the level of interest rates during the period in question.

PROSPECTUS

Copies of these particulars and, on and after 22nd March, 1978, the continuous prospectus to be issued by the Company together with application forms, may be obtained from the registered office of the Company *and from the brokers to the issue.*

INVESTMENT MANAGEMENT

The Directors are responsible for the Company's overall investment policy. The Company has, however, entered into an Agreement (Contract No. 1 below) with the Managers under which the Managers have been appointed to manage the Company's investments, to sell and purchase and promote the sale and purchase of its Shares and to provide general administrative services, particularly in connection with the keeping of records and the issue and redemption of Shares.

Fees and Charges:

The Managers are entitled to receive and retain a maximum 5 per cent. preliminary charge made on the issue of Shares. The Managers also buy and sell Shares as principals for their own account and for such purposes may round prices up or down as the case may be to the nearest penny for the purposes of calculating their offered and bid prices. The Company will pay to the Managers a quarterly fee equal to 0.25 per cent. of the average of the weekly values during the relevant period of the net assets of the Company but excluding any cash deposited as security for the foreign currency loan facility calculated on an offered basis (see under "Valuation Sales and Purchases" below) plus the outstanding amount of the foreign currency loan. As a result the Managers receive a fee from the Company in respect of the Company's underlying portfolio investments and the British Government securities deposited as collateral for the foreign currency loans but not in respect of cash deposits made in connection with such loans. The Managers also receive reasonable remuneration and reimbursement of expenses in respect of the provision of services as Secretaries, Registrars and Administrators.

The Managers will meet all expenses of providing investment management and advice, including any sums paid to the Investment Adviser, the cost of preparation of the PIMS reports and the costs of the PIMS meetings.

INVESTMENT RESTRICTIONS

Although the Articles of Association of the Company contain no investment restrictions, the Directors of the Company have adopted and intend to follow the following investment policy in relation to the Company's investments (other than British Government securities deposited in connection with the foreign currency loan facility):—

not more than 10 per cent. of the net assets of the Company will be invested in securities issued by any one company;
the Company will not hold more than 15 per cent. of the nominal amount of all securities issued by any one company or body; and
not more than 15 per cent. of the net assets of the Company will be invested in securities which are not listed on a recognised stock exchange.

The Managers will not be obliged to make changes in the portfolio merely because the above limits are exceeded as a result of changes in the market values of investments held, any rights distributions or capital receipts accruing to the benefit of the Company, or any mergers or re-organisations affecting the investments of the Company.

SHARE CAPITAL ISSUED OR TO BE ISSUED

On 14th March, 1978, 100 Founders' Shares (see below) were issued by the Company to the Managers for cash at par. The initial placing of Shares consists of 500,000 Shares offered at a subscription price of £1 (including a preliminary charge accruing to the Managers of 4.75p). The subscription lists will open at 10.00 a.m. in Jersey on 20th March, 1978, and close at 4.30 p.m. in Jersey on the same day. Allotment of Shares will take place on 20th March, 1978.

Further Shares will be made available for subscription on Wednesday of each week, or if any Wednesday is a legal holiday in Jersey, on the following business day in Jersey (the "Subscription Day") commencing 29nd March, 1978, on the terms of the Company's prospectus for the time being current. The price at which such Shares will be issued will be calculated as provided in the Company's Articles of Association. Further particulars of this and of sales by the Managers to satisfy applications are set out below under the heading "Valuation, Sales and Purchases". Applications will normally be satisfied at the offer price per Share advertised on the day they are received by the Managers (see "Valuation, Sales and Purchases" below) and should be for a minimum investment of £500.

Save as herein mentioned:—

(i) No Shares or loan capital of the Company have been or are proposed to be issued other than as fully paid up in cash;
(ii) No commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any capital of the Company;
(iii) No Shares of the Company are under option or agreed conditionally or unconditionally to be put under option;
(iv) No amount has been paid or is payable in Shares or debentures for goodwill;
(v) No amount or benefit has been paid or given (or is intended to be paid or given) to any promoter.

The rights attaching to the various classes of shares of the Company are set out below under the heading "Corporate Structure".

HOW TO REALISE SHARES

Shares may generally be realised on any Subscription Day by delivery to the Managers of the relative Share Certificate(s) with the form(s) of request on the back of the Certificate(s) duly completed. Realisation will normally take place on the day on which the relative Certificate(s) duly completed are received by the Managers or, if that is not a Subscription Day, the next Subscription Day. Requests will normally be satisfied at the Manager's bid price per Share on the relative Subscription Day (see "Valuation, Sales and Purchases" below).

Payment on realisation will be effected in sterling by cheque posted at the Shareholder's risk to him or his nominated agent normally within 15 days after the relevant Subscription Day.

SHARE EXCHANGE AND WITHDRAWAL SCHEMES

The Company offers a share exchange scheme, whereby existing investments in listed companies can be exchanged for Shares, and a withdrawal scheme whereby a few Shares may be encashed at regular intervals to supplement spendable income.

PIMS SERVICE

Shareholders whose holdings, valued at the date of purchase, exceeded £2,500 will receive the Schlesinger "PIMS" Service designed specifically for larger investors. The "PIMS" Personal Investment Management Service includes regular reports and valuations together with a review of investment results and changes in the Company's portfolio. Shareholders will be invited to investment meetings in Jersey, Guernsey and elsewhere, at which current investment conditions will be discussed and questions answered.

REPORT OF THE AUDITORS OF THE COMPANY

The Directors
SCHLESINGER FAR EAST FUND LIMITED.

Dear Sirs,

Your Company was incorporated under the laws of Jersey on 10th March, 1978. As at the date of this letter it has not traded and no accounts have been prepared and no dividends paid.

Equity & Law House,
La Motte Street, St. Helier, Jersey, Channel Islands.
14th March, 1978.

Yours faithfully,
PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants.

TAXATION

The Company is resident in Jersey for tax purposes.

It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it will not become resident in the United Kingdom, would not be deemed to be a close company if it were so resident and will not trade through a permanent establishment in the United Kingdom.

Jersey does not levy a capital gains tax, wealth tax, estate duty, inheritance tax, capital transfer tax, or value added tax. Special provisions for Jersey were negotiated in connection with the United Kingdom's entry into the E.E.C. Under the arrangements concluded none of the fiscal provisions in the Treaty of Rome will apply to the Channel Islands and there will be no obligation to follow any harmonisation of taxation which the Community might adopt.

The Company is not liable to taxation on capital gains in the United Kingdom, Japan or in Hong Kong. Shareholders who are resident or ordinarily resident in the United Kingdom will, unless exempt, be liable to capital gains tax (or, in the case of corporate shareholders, corporation tax) in respect of chargeable gains arising on the disposal of Shares.

The Company's net income will be subject to Jersey income tax (currently at the rate of 20 per cent.). The Controller of Income Tax in Jersey has also agreed that relief will be obtained for interest paid by the Company on the foreign currency facilities referred to above.

Dividends paid by the Company will be subject to deduction at source of Jersey income tax, which the Company may retain against its own liability to Jersey income tax.

Shareholders who are resident or ordinarily resident in the United Kingdom will, depending on their circumstances, be subject to United Kingdom income tax and, where relevant, the investment income surcharge (or, in the case of corporate shareholders, corporation tax) in respect of net dividends which they receive, without any credit for Jersey tax borne. However, approved superannuation funds and charities which enjoy exemption from United Kingdom income tax may reclaim the Jersey income tax withheld at source by applying to the Controller of Income Tax in Jersey.

The proceeds of sale or redemption of Shares will not constitute income for the purposes of United Kingdom income tax and corporation tax unless the recipient is a dealer in securities.

The attention of persons ordinarily resident in the United Kingdom is drawn to the provisions of Section 478 of the Income and Corporation Taxes Act, 1970, which may, in certain circumstances, render them liable to tax under the provisions of this section in respect of their holding in the Company.

Dividends and interest received by the Company in respect of its investments may be subject to withholding taxes at varying rates depending on the country of origin.

The foregoing is based on the law and practice currently in force in Jersey, Japan and in the United Kingdom and is subject to changes therein.

Shareholders are advised to consult their professional advisers as to the incidence of taxation in relation to the purchase, holding or sale of Shares of the Company.

CORPORATE STRUCTURE

The Company is an investment company incorporated with limited liability in Jersey on 10th March, 1978, under the provisions of the Companies (Jersey) Laws, 1861 to 1968. The constitution of the Company is defined in its Memorandum and Articles of Association; the latter are subject to alteration in accordance with Jersey Law. The Company has an authorised share capital of £100,100 divided into 100 Founders' Shares of £1 each and 10,000,000 further shares of 1p each, which, pending issue, are Unclassified Shares, and are issued as Participating Redeemable Preference Shares of 1p each (the "Shares") or Nominal Shares. All the Founders' Shares are in issue and 500,000 Participating Redeemable Preference Shares are the subject of the placing mentioned above.

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EEC shipyard targets 'are premature'

BY OUR SHIPPING CORRESPONDENT

AN ATTACK on the so-called Davignon targets for reducing EEC shipbuilding capacity to 2.4m. compensated tons by 1980 came yesterday from Mr. A. Rijke, chairman of the Association of West European Shipbuilders.

Mr. Rijke told the conference of the Association of Independent Tanker Owners, in Eastbourne, that the plan suggested by Viscount Davignon, EEC Industry Commissioner, was premature when an outline for a common policy on shipbuilding was still lacking.

Mr. Rijke, whose association's membership extends beyond the European Community, doubted the viability of another commonly proposed solution to the over-capacity problem — that European yards should concentrate on building more sophisticated ships.

It had to be borne in mind that 70 per cent. of the vessels produced by association yards were for European registration and to change this pattern would involve a considerable regrouping of markets.

In the long run, marketing quality and competitiveness would determine who built what. At present, price gaps between European and Far East yards existed, but were not as great as was sometimes suggested. The challenge to restored competitive prices was fully accepted by European builders.

Turning to possible solutions to the overcapacity problem, he supported a Government-sponsored scrap-and-build programme.

This would cost millions of dollars a year, but would be small in comparison with the funds being made available by governments now to support shipbuilders and shipowners.

Aerospace demands create 400 jobs

BY LYNTON McLAIN, INDUSTRIAL STAFF

EXCEPTIONAL demand in Britain's guided missile and space industries has created the need for an extra 400 jobs in the next two years, Lord Beswick, chairman of British Aerospace, said in Bristol yesterday.

Each new job would involve highly qualified engineering staff, including electronic, hydraulic to mechanical engineers.

Lord Beswick said the demand for British guided missile and space products arose from two sources, the former British Aircraft Corporation's Rapier low level missile defence system and British expertise in solar panels for spacecraft.

This work would bring £400m. worth of orders, mainly from Iran, to British Aerospace's missile factory at Stevenage. At Bristol a £13m. contract was underway to supply solar panel arrays for the National Aeronautics and Space Administration's space telescope, which is due to be launched in five years.

The contract was placed through the European Space Agency last October. It calls for £6m. worth of solar panels and a £7.3m. photon detector, to look at feint objects in space.

This work is the biggest U.S. space contract obtained by Britain. British Aerospace is investing £1.25m. in a 66,000-square foot office building at Filton, Bristol, to meet the increase in design requirements in the five years before launch.

EEC resources must be used effectively—Heath

Mr. Edward Heath, who took Britain into Europe, last night criticised the Common Market for failing to use its resources effectively.

Britain's future would not be very bright until world leaders came together to solve major problems, he told an audience of 300 at University College, Swansea.

Britain's prospects had to be seen in the context of world prospects for the rest of the century. It was important that U.S. relationships with Japan and Europe should be maintained.

If the U.S. was to be kept in the Atlantic Alliance, it would be necessary for Europe to show that she could play a larger part in the common defence. She could show she was prepared to do more by rationalising her economic resources.

Part of this rationalisation would have to be controlled by Governments and part by private enterprise. "It really requires a concentrated effort to use our resources more effectively. The EEC has so far failed to do this."

A way was needed to use OPEC money for profitable investment. The European Community could be in a strong position to use it.

This could bring industrial reconstruction in Britain, revitalise agriculture in Germany, and reorganise Mediterranean agriculture if Portugal and Spain were brought into the Community. Europe could be self-sufficient in food in the 1980s.

The solution to industrial problems in Britain rested with management, Mr. Heath added.

Isle of Man gets exchange control 'clinics'

The Bank of England and the Manx Treasury have agreed to introduce on the Isle of Man exchange control "clinics" on a regular basis to enable a greater number of professionals to have access to Bank of England representatives, who will be able to advise on exchange control matters.

There has recently been an increase in the number of Manx companies which have been formed for overseas residents.

Both the Bank of England and the Manx Treasury say they look upon the establishment of the clinics as an additional facility for the island's banks, advocates and accountants.

Museum opened

Bristol's new Industrial Museum was opened yesterday by Lord Beswick, chairman of British Aerospace.

Paper hopes

PAPER industry profits should recover sharply this year as demand picks up, according to a Jordans Dataquest survey.

This week's SE dealings

Friday, March 17	4,935	Wednesday, March 15	5,663	Monday, March 13	5,597
Thursday, March 16	4,824	Tuesday, March 14	5,523	Friday, March 10	5,401

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in pence and fractions of pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

Bargains at Special Prices. Δ Bargains done with or between non-members. Bargains done previous day. Bargains done with members of a recognised Stock Exchange. Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (845)

COMMONWEALTH GOVTS. (10)

CORPN. & COUNTY U.K. (52)

FOREIGN STOCKS (10)

STERLING FOREIGN CURRENCY BONDS

CORPN. STOCKS—FOREIGN

U.K. RAILWAYS (2)

FOREIGN RAILWAYS

BANKS (152)

BREWERIES (139)

CANALS & DOCKS (7)

COMMERCIAL (2,545)

A—B

PUBLIC BOARDS (25)

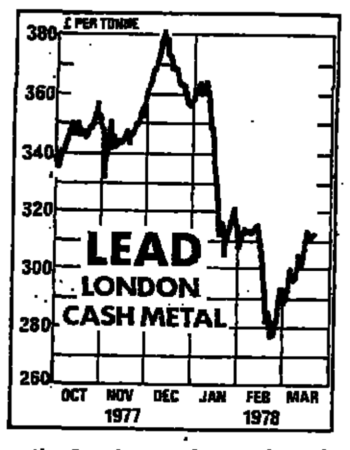
SHORT DATED BONDS FREE OF STAMP DUTY

COMMODITIES/Review of the week

Copper price climb continues

BY OUR COMMODITIES STAFF

COPPER PRICES advanced again on the London Metal Exchange this week. Cash wirebars closed last night £19.75 higher than a week ago at £672.75 a tonne—the highest level since last December. The rise from the two-year lows hit only three weeks ago was attributed this week to generally better sentiment encouraged by hopes of a settlement of the U.S. coal strike, rumours of a proposed domestic price rise by a leading U.S. producer and reports that Zambia might have to cut its contracted supply deliveries by as much as 25 per cent., as a result of transport problems and the planned 15 per cent. output cutback.



Encouraging the upward trend was another fall in LME warehouse stocks of copper, and the prospect of a further decline. Another factor was a report from Washington yesterday that the U.S. Trade Commission is to investigate the impact of copper imports on the domestic industry.

Lead and zinc values were boosted by the rise in copper, and the generally more hopeful sentiment in metal markets. Cash lead has now firmly rallied above the £300 a tonne mark gaining £12.25 this week to £313.

In contrast tin values lost ground again on uncertainty generated by prospects of releases of surplus tin from the U.S. stockpile filling the forecast shortfall of production this year. More plentiful supplies available to the London market, and a substantial fall in Penang prices, helped the downward trend. Cash tin closed last night £192.5 lower at £5,872.5 a tonne.

After a "see-sawing" week cocoa futures prices ended modestly higher on the London market. The May position climbed to £1,974.5 a tonne at one stage before closing yesterday at £1,851.5 a tonne, £19 up on the week.

The initial rise in cocoa values was attributed by most dealers to covering purchases by speculators who had previously sold the market short. The effect of these purchases was heightened by the continued absence of significant producer selling.

A further bullish factor quoted by some market sources was a cut in the International Cocoa Organisation's prediction of the current season world cocoa surplus. The Organisation now puts the surplus at 20,000 tonnes against the 39,000 it forecast in January. Last month London merchant Gill and Duffus forecast an 86,000-tonne surplus and though this was considered a little on the high side in some market quarters few London cocoa men would take seriously any surplus forecast below 70,000 tonnes.

Coffee prices were boosted early in the week following an agreement by Central American "other milds" producers last week-end to suspend export sales until prices recover to "a more acceptable level." The upward pressure resulting from this agreement was probably due chiefly to speculative activity, however, as few professional traders expect the producers' deeds to match their words on this question.

World sugar prices came under pressure in the early part of the week in view of the continuing over-supply situation, and on Tuesday the London daily price was fixed at £94 a tonne—the lowest level since last November. But the slide was arrested by a show of strength in New York and the technical rally was taken up in London. The rise was also encouraged by reports of U.S. refiner buying. Yesterday the LDP was fixed at £96 a tonne, down £3.5 on the week.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1977/78 High	1977/78 Low
Metals					
Aluminium	£620	—	£630	£680	£610
Free Market c.i.f.	$950-60	—	$1000-10	$1,040-60	$920-40
Antimony (99.6%)	£1,925	—	£2,150	£2,222.5	£1,925
Free Market (99.6%)	$2,210-235	+22.5	$3050-100	$3,050-100	$2,120-50
Copper					
Cash Wire Bars	£672.75	+19.75	£902.5	£898.25	£612
3 mths Do. Do.	£686.75	+20.5	£950.75	£926.75	£624.75
Cash Cathodes	£665.5	+19.5	£894.75	£858.75	£602.5
3 month Do.	£677	+8.6	£922.5	£914.75	£614.75
Gold per oz.	$183.625	—2.5	$149.875	$189.625	$139.12
Lead Cash	£313	+12.25	£425.75	£437.75	£275.25
3 months	£317.25	+12.6	£434.25	£449.25	£280.25
Nickel		—	£5,181	£5,298	£2,752.6
Free Market c.i.f. lb.	$1.92-2.04	+0.025	$2.10-20	$2.10-22	$1.26
Platinum per oz.	£114.5	—	£102.75	£114.5	£87.5
Free Market per oz.	£119.0	—1.2	£94.5	£124.30	£83.05
Quicksilver (76lbs.)	$125-35	—5	$170-85	$175-186	$95-105
Silver per oz.	285.2p	+1.8	285.5p	307.9p	246.9p
3 months per oz.	290.2p	+1.8	294.2p	294.2p	250.7p
Tin cash	£5,872.5	—192.5	£6,090	£7,355	£5,305
3 months	£5,5667.5	—155	£6,240	£6,962.5	£5,302.5
Wolfram 22.04lb.	$149.56	+5	$177.82	$172.86	$141.44
Zinc cash	£271.75	+12.5	£422.5	£458.25	£235.25
3 months	£275.25	+13	£436.5	£454.25	£237.75
Producers	$550	—	$795	795	$550
Grains					
Barley EEC		—	£81.75	£96	£73.5
Home Futures	£75.5	—0.2	£87.6	£84.75	£69.3
Maize					
French No. 3 Yellow (American)	£101.5	+1	£83.25	£101.5	£82.5

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1977/78 High	1977/78 Low
Wheat					
No. 1 Red Spring	£88.5	+0.15	£89.5	£92	£75.6
Am. Hard Winter		—		£72.9	£66.5
Eng. Milling (new crop)	£96.5	—	£91	£96.5	£82
Spices					
Cloves	£4,500	—	£5,000	£5,000	£4,375
Pepper, White	$3,000	—	$3,100	$3,500	$3,275
Black	$2,230	—	$2,760	$2,850	$2,100
Oils					
Coconut (Philippines)	$680	+5.0		$685	$452.5
Groundnut 6%	£661	+40.0	£592	£706	£436
Linseed, Crude	$309	—1.0		£320	£246
Palm, Malayan	$585	—50.0	$625	$675	$425
Seeds					
Copra Philippines	$445	—	$590	$560	$300
Soyabeans (U.S.)	$282.65	+8.16		$341	$202
Other Commodities					
Cocoa Shipments	£1,833	—0.5	£2,852.5	£3,512	£1,511
Cocoa 2nd pos.	£1,851.5	+19.0	£2,706.5	£3,123	£1,436.6
Coffee Futures May	£1,401.5	—1.0	£4,172.5	£4,232	£1,330.6
Cotton Index	68.8c.	+0.8	27.1c.	97.2c	67.5c
Des. Coconut	£660	—	£760	£780	£660
Jute LJABW Grade	$425	—	$414	$490	$392
Rubber kilo	48.25p	—0.5	55p	57.5p	45.6p
Sago Pearl	£177	—1.0	£205	[illegible]	£178
Sisal No. 3	$515.40	—	$600	[illegible]	$515.40
Sugar (raw)	£97	—2.5	£129.5	£151	£86.0
Tapioca No. 1	£172	—3.0	£198	£209	£175
Tea (quality) kilo		—	222p	340p	116p
(plain) kilo		—	190p	250p	68p
Wooltops 64s Warp	270p kilo	—1.0	297p kilo	305p kilo	267p kilo

† Unquoted. * Nominal. ‡ Malaysian.

MARKET REPORTS

BASE METALS

COPPER—Firmer on the London Metal Exchange with forward metal lifting from £676-£678 on speculative buying encouraged by the weaker pound, expectations of a stocks decline and further rumours of U.S. producer price increases. The close on the Kerb was £686.5. The net gain on the week was £20.5. Turnover 24,200 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	666-.5	+2	672.5-3	+9.25
3 months	680-.5	+1.5	686.5-7	+9
Settl'm'nt	666.5	+2	—	......
Cathodes				
Cash	657-.5	+2	663-4	+8.5
3 months	670.5-1	+1.5	676.5-7.5	+8.5
Settl'm'nt	657.5	+2	—	......
U.S. Smt.	—	...	60-61.5	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £666.5, 66, 66.5, three months £678, 79, 79, 79.5, 80, 81, 80, 81, 80.5, 80. Cathodes, cash £657. Kerb: Wirebars, three months £681.5, 82, 82.5. Afternoon: Wirebars, cash £672.5, three months £684, 4.5, 85, 86, 5.5, 86, 7.5, 87, 6.5, 87. Kerb: Wirebars, three months £686.5, 86, 86.5.

TIN—Erratic as chartist selling took forward metal from £5,890 to £5,810 before bear covering, European interest and the easier pound caused a rise to a high of £5,880. The price drifted to a close on the Kerb of £5,850. The net fall on the week was £135. Turnover 5,975 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	5845-50	—150	5870-5	+7.5
3 months	5840-50	—122	5865-70	......
Settlem't	5850	—150	—	......
Standard				
Cash	5845-50	—150	5870-5	+7.5
3 months	5840-50	—120	5865-70	......
Settlem't	5850	—150	—	......
Straits E.	$1570	—22	—	......
New York	—	...	518.50	......

Morning: Standard, cash £5,840, three months £5,825, 40, 35, 50, 40, 45. Kerb: Standard, three months £5,845, 35. Afternoon: Standard, three months £5,860, 65, 70, 80, 75, 80, 70, 65. Kerb: Standard, three months £5,860, 65, 55.

LEAD—Very steady as forward metal advanced from £312-£314 pre-market to a close on the Kerb of £318.5, under the influence of the higher copper price and the lower pound. The net gain on the week was £13.5. Turnover 8,700 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	311.75-2	+.625	312.5-3.5	+2.5
3 months	315.5-6	+.5	317-.5	+3
Sett'l'm'nt	312	+.5	—	......
U.S. Spot	—	......	33	......

Morning: Cash £311.5, three months £315, 15.5, 16, 15.5, 15.75, 15.5, 16. Kerb: Three months £316. Afternoon: Cash £313, three months £316.5, 17, 17.5, 18, 17.5, 17.75, 18, 17.5. Kerb: Three months £318.

ZINC—Higher in line with the trend in copper and lead. Forward metal started at £267.5 and finished on the Kerb at the day's high of £273.5. The net gain on the week was £13. Turnover 5,800 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	267.25-.5	+1.62	271.5-2	+6.25
3 months	268.75-9	+2.12	273-.5	+7
S'ment	267.5	+1.5	—	......
Prim. West	—	—	29	......

Morning: Cash £267.5, three months £267, 67.5, 68.5, 68.75, 69. Kerb: Three months £268.5, 69. Afternoon: Cash £271.5, 72, three months £270.5, 71, 71.5, 72.5, 73, 72.5, 71.5, 72, 72.5, 73. Kerb: Three months £273.5.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

COTTON

HONG KONG—Raw cotton futures were well maintained over the week in routine trading. Friday's close (cents a pound): March 55.65-56.30, May 56.00-58.00, July 56.68-58.70, Oct. 58.00-60.00, Dec. 58.50-61.00. Week's High-Low: March 55.80-55.10, July 56.76-57.55. Turnover: 121 (105) lots.

COTTON—Liverpool. Spot and shipment sales amounted to 539 tonnes, bringing the total for the week to 1,374 against 2,105 tonnes, reports F. W. Tattersall. Pressure strengthened for additional supplies as users recognised the firmness in prices.

SILVER

Silver was fixed 1.8p an ounce higher for spot delivery in the London bullion market yesterday, at 285.2p. U.S. cent equivalents of the fixing levels were: spot 545.4c, up 3.7c; three-month 555.4c, up 3.9c; six-month 565.8c, up 3.9c; and 12-month 589.4c, up 4.3c. The metal opened at 284.5-285.5p (547-548½c) and closed at 284.7-285.7p (546-547½c).

SILVER per troy oz.	Bullion fixing pricing	+ or —	L.M.E. close	+ or —
Spot	285.2p	+1.8	287.05p	+4.05
3 months	290.2p	+1.8	292.15p	+4.0
6 months	295.7p	+1.7	—	......
12 months	308.2p	+1.7	—	......

LME—Turnover 278 (178) lots of 10,000 ounces. Morning: Three months 290.4, 90.5, 90.6, 90.7, 90.9, 90.8, 90.5, 90.3, 90.5, 90.4. Kerb: Three months 290, 89.9. Afternoon: Three months 292, 2.1, 2, 91.9, 92, 2.2, 91.5, 92, 2.2, 2.1, 2.2. Kerb: Three months 292, 91.8, 1.4, 1.5, 1.6, 1.9.

COCOA

Values fluctuated erratically in thin conditions with consumers and origins showing little interest, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No. 6 Cont'ct			
March	2001.0-02.5	—7.5	2068.0-2005
May	1851.0-52.0	—48.0	1931.0-1850
July	1785.0-90.0	—40.0	1870.0-1785
Sept.	1755.0-55.0	—55.0	1825.0-1750
Dec.	1702.0-08.0	—27.0	1770.0-1702
March	1628.0-65.0	—35.0	1760.0
May	1630.0-40.0	—20.0	1640.0

Sales: 3,475 (3,454) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound)—Daily price March 16: 136.70 (154.57). Indicator prices March 17: 15-day average 145.48 (145.38); 22-day average 138.64 (137.32).

COFFEE

Robustas slipped lower once more this afternoon after early firmness, reports Drexel Burnham Lambert. As new York "C" Contract fell to limit-down only local dealer profit-taking in London prevented a major collapse. At the close values had steadied somewhat on scattered book-squaring.

COFFEE	Yesterday's Close £ per tonne	+ or —	Business Done
March	1535.0-1540.0	—31.5	1585-1540
May	1400.0-1405.0	—21.0	1465-1385
July	1305.0-1304.0	—15.0	1355-1285
September	1248.0-1255.0	—22.5	1285-1240
November	1220.0-1226.0	—27.0	1265-1220
January	1160.0-1220.0	—17.5	—
March	1120.0-1180.0	—55.0	—

Sales: 3,123 (2,860) lots of 5 tonnes.

ICO Indicator prices for March 16 (U.S. cents per pound): Colombian Mild Arabicas 177.50 (181.00); unwashed Arabicas 165.00 (same); other mild Arabicas 172.38 (178.55); Robustas 159.50 (160.00). Daily average 166.04 (169.28).

LONDON ARABICAS—In poor volume. Values were offered unchanged at the close, reports Drexel Burnham Lambert. Prices (in order: buyer, seller, change, business)—April 193.50-196.00, —0.25, 195.00-194.00; June 169.75-170.75, nil, 172.00-170.00; Aug. 154.50-157.00, —1.75, nil; Oct. 143.00-145.50, —1.75, nil; Dec. 135.00-138.00, —1.00, nil; Feb. 132.00-135.00, —10.50, nil; April 128.00-134.00, +3.00, nil. Sales: 16 (19) lots of 17,250 kilos.

GRAINS

LONDON FUTURES (GAFTA)—The market opened unchanged and with a weak country trend values lost 30 points before strong commercial buying forced values higher. By the close country short-covering and chartist buying closed the market firm 20-35 higher. Old crop barley advanced steadily during the sessions from 20 lower to close firm 40 higher despite steady scale-up commercial selling. Much of the rise in old crop barley was due to a strong fob market, reports Acli.

M'nth	WHEAT Yesterday's close	+ or —	BARLEY Yesterday's close	+ or —
Mar.	85.35	+0.55	75.50	—0.02
May	86.90	+0.20	74.95	+0.40
Sept.	82.80	+0.10	77.40	......
Nov.	85.40	+0.15	79.95	+0.85
Jan.	87.75	+0.05	82.35	......

Business done: Wheat—March 84.75-85.15, May 86.40-86.85, Sept. 82.75 only, Nov. 85.38-85.40, Jan. 87.35-87.70. Sales ... May 74.35-74.95, Sept. 77.20-77.45, Nov. 79.90-80.00, Jan. nil. Sales, 124 lots.

IMPORTED—Wheat: CWRS No. 1, 13½ per cent., March £88.50 seller Tilbury. U.S. Dark Northern Spring No. 2, 14 per cent. April £81.50, May £77.00 transhipment East Coast sellers. U.S. Hard Winter ordinary unquoted. Australian wheat unquoted. EEC wheat unquoted.

Maize: U.S./French March and April £10.50 transhipment East Coast. S. African Yellow April £70.00 quoted.

Barley: Kenya Grade 3 April $113 quoted fob.

HGCA—Location ex-farm spot prices. Other milling wheat—nil. Feed barley—Kent 69.20, Lancashire 71.20.

The U.K. monetary coefficient for the week starting March 20 will remain unchanged.

EEC IMPORT LEVIES—The following EEC levies and premiums are effective for March 18 in units of account per tonne. In order current levy plus April, May and June premiums (with previous in brackets). Common wheat—83.53; 4.15; 4.15; 4.81 (86.19; 3.83; 83; 4.64). Durum wheat—121.04; 11.85; 11.85; 11.85 (121.04; 11.85; 1.85; 12.18). Rye—79.41; 1.30; 1.30; 1.32 (79.41; 1.30; 1.30; 1.96). Barley—81.34; nil; nil; nil (81.34; nil; nil; nil). Oats—77.58; nil; nil; nil (76.92; nil; nil; nil). Maize (other than hybrid for seeding)—76.60 nil; nil; nil (77.90; nil; nil; nil). Buckwheat—all nil (all nil). Millet—79.47; nil; nil; nil (80.12; nil; nil; nil). Grain sorghum—85.88; nil; nil; nil (86.86; nil; nil; nil).

Flour levies—Wheat or mixed wheat and rye flour—131.32 (132.45). Rye flour—122.95 (122.95).

RUBBER

EASIER opening on the London physical market. Good interest throughout the day, closing slightly steadier. Lewis and Peat reported that the Malaysia godown price was 205 (same) cents a kilo (buyer, April).

No. 1 R.S.S.	Yesterday's close	Previous close	Business done
April	48.00-49.10	48.86-48.90	49.00-48.50
May	49.45-49.65	49.00-49.40	49.45
Apr-Jne	49.50-49.55	49.50-49.35	49.50-49.00
Jly-Sep.	51.05-51.10	50.80-50.90	51.20-50.45
Oct-Dec	52.50-52.55	52.05-52.10	52.40-51.50
Jan-Mr.	53.85-53.70	53.35-53.40	53.20-53.05
Apr-Jne	54.95-55.00	54.65-54.90	54.95-54.60
Jly-Sep.	56.30-56.35	55.85-55.90	55.85-55.70
Oct-Dec	57.50-57.55	57.15-57.20	57.55-57.00

Sales: 7 (4) lots of 5 tonnes and 519 (176) lots of 15 tonnes.

Physical closing prices (buyer) were: Spot 48.25p (same); March 49.2p (49.0); April 49.25p (same).

SUGAR

LONDON DAILY PRICE (raw sugar) £97.00 (£96.00) a tonne cif for March-April shipment. White sugar daily price was fixed at £98.00 (£100.00).

The market opened around overnight levels and trading was confined within a narrow range throughout the day, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
May	100.55-00.60	100.90-01.00	101.25-100.0
Aug.	105.50-05.60	105.00-05.65	105.90-04.85
Oct.	108.75-08.80	108.50-08.75	109.10-08.20
Dec.	112.05-12.25	112.00-12.10	112.25-11.75
March	118.00-18.25	118.50-18.50	118.25-17.85
May	121.00-21.75	121.50-21.60	121.75
Aug.	124.50-25.50	124.75-25.05	—

Sales: 1,543 (3,638) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £242.40 (same) a tonne for home trade and £157.00 (£156.00) for export.

International Sugar Agreement—Indicator prices (U.S. cents per pound fob and stowed Caribbean port) for March 16: Daily 7.42 (7.43); 15-day average 8.78 (8.03).

EEC IMPORT LEVIES—The following import levies for white and raw sugar are effective for March 17 in units of account per 100 kilos (previous in brackets). White sugar (denatured and non-denatured) 27.40 (27.11). Raw sugar 21.95 (22.07).

JUTE

DUNDEE—Quiet but firm. Prices c. and f. U.K. for April-May shipment: BWC £297, BWD £288. Tossa: BTC £295, BTD £286. Calcutta goods steady. Quotations c. and f. U.K. for March shipment: 10-oz 40-inch £10.29, 7½-oz £7.53 per 100 yards; April £10.29 and £7.50; May-July £10.28 and £7.81. "B" twills £29.95, £30.16 and £30.39 for the respective shipment periods. Yarns and cloths quiet with prices steady.

SOYABEAN MEAL

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
April	122.00-23.5	+5.80	125.00-17.00
June	123.50-23.6	+6.75	125.50-16.00
August	125.00-25.8	+6.30	125.20-19.50
October	117.50-18.0	+5.75	
December	113.00-14.0	+4.0	112.70-08.50
February	114.00-16.0	+4.25	—
April	118.50-19.0	+4.25	—

Sales: 208 (131) lots of 100 tonnes.

WOOL FUTURES

LONDON—Prices tended to drift lower in featureless trading, reports Bache.

(Pence per kilo)

Australian Greasy Wool	Yesterday's Close	+ or —	Business Done
March	216.0-21.0	—1.0	—
May	225.0-26.0	—1.5	—
July	229.0-32.0	—1.0	231.0
October	231.0-36.0	—0.5	—
December	233.0-38.0	......	—
March	236.0-40.0	......	—
May	236.0-42.0	......	—
July	238.0-42.0	......	—

Sales: 6 (0) lots of 1,500 kilos.

SYDNEY GREASY (in order buyer, seller, business, sales)—Micron Contract—March 337.0-339.0; 337.6-338.0; 16. May 342.5-342.8; 342.9-342.1; 72. July 347.0-347.6; 347.6-346.2; 19. Oct. 352.0-352.7; 353.0-351.5; 22. Dec. 357.0-357.3; 357.5-356.0; 34. March 363.5-364.0; 363.8-363.5; 9. May 367.0-368.0; nil, nil. July 370.0-370.5; 370.0-370.0; 5. Total sales, 117.

MEAT/VEGETABLES

SMITHFIELD—No carcase meat prices quoted.

MEAT COMMISSION—Average fatstock prices at representative markets on March 17. GB—Cattle 64.50p per kg.l.w. (+0.80); U.K.—Sheep 141.8p per kg. est. d.c.w. (+7.4); G.B.—Pigs 61.0p per kg. l.w. (—0.5). England and Wales—Cattle numbers up 14.0 per cent., average price 64.80p (+0.87); Sheep numbers up 21.5 per cent., average price 142.4p (+8.6); Pig numbers up 10.6 per cent., average price 61.0p (—0.5). Scotland—Cattle numbers up 0.9 per cent., average price 62.92p (+0.28); Sheep numbers up 54.8 per cent., average price 140.2p (+3.6); Pigs nil.

COVENT GARDEN—(Prices in sterling per package except where otherwise stated)—Imported Produce: Oranges—Spania: Navels 3.20-3.90, Bloods 2.80-3.20; Jaffa: 3.65-4.05; Cyprus: Valencia Lates 3.50-3.60; Moroccan: 2.90-3.10.

English Produce: Potatoes—Per 56-lb. Whites/Reds 1.40-1.60. Lettuce—Per 12, Indoor 1.20-1.30. Cabbage—Per ½-bag Primo 0.60. Beetroot—Per 28-lb 0.80. Carrots—Per bag 28-lb 0.40-0.60. Onions—Per 56-lb 0.90-1.30. Swedes—Per bag, Devon 0.40. Apples—Per pound, Cox's 0.12-0.20, Bramley's 0.11-0.15, Laxtons 0.10-0.12. Pears—Per pound, Conference 0.12-0.14. Sprouts—Per pound 0.05-0.07. Parsnips—Per 28-lb 0.70-0.90. Turnips—Per 28-lb 0.60. Rhubarb—Per pound 0.24, outdoor 0.20p per pound. Cucumbers—Per tray 12/22s 3.40-3.80. Mushrooms—Per tray 12/22s 3.40-3.80. Tomatoes—Per pound 0.50.

★

GRIMSBY FISH—Supply moderate and demand good. Prices per stone at ship's side (unprocessed): Shelf cod £4.00-£4.80, codlings £3.50-£4.00; large haddock £4.00-£4.50; medium haddock £3.20-£3.50; small haddock £2.60-£3.20; best small plaice £3.50-£4.00.

FINANCIAL TIMES

Mar. 17	Mar. 16	Month ago	Year ago
238.01	234.47	224.02	290.13

(Base: July 1, 1952=100)

REUTER'S

Mar. 17	Mar. 16	Month ago	Year ago
1394.8	1394.9	1389.6	1749.4

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Mar. 17	Mar. 16	Month ago	Year ago
Spot	364.11	361.66	347.08	448.33
Futures	345.13	345.19	327.60	436.79

(Average: 1924-25-26=100)

MOODY'S

Moody's	Mar. 17	Mar. 16	Month ago	Year ago
Sple Commodity	905.1	903.8	909.4	983.0

(December 31, 1931=100)

U.S. Markets

Cocoa weak: grains leap forward

NEW YORK, March 17.

SILVER closed sharply lower on Commission House liquidation following a report that 1977 was the lowest consumption year in the last five while production increased over the year. Gold finished weak, following silver. Platinum declined sharply. Cocoa finished limit-down on chartist selling. Coffee ended lower on rumours of lower origin prices. Wheat, maize, soyabean and soyabean products all advanced considerably, Bache reports.

Cocoa—March 164.00 (167.15), May 154.00 (158.40), July 149.00, Sept. 146.00, Dec. 140.00, March 136.00, May 134.25, July 132.55 settlements. Sales: 656.

Coffee—"C" Contract: March 176.00-176.25 (177.63), May 153.50-153.75 (156.40), July 136.80-136.90, Sept. 131.00, Dec. 119.00, March 116.50-117.50, May 113.00-114.00, July 114.00-115.00. Sales: 821 lots.

Copper—March 59.30 (same), April 59.60 (59.50), May 60.10, July 61.10, Sept. 62.10, Dec. 63.60, Jan. 64.10, March 65.10, May 66.10, July 67.10, Sept. 68.10, Dec. 69.60, Jan. 70.10 settlements. Sales: 3,900 lots.

Cotton—No. 2: May 58.35-58.40 (58.19), July 59.65-59.75 (59.27), Oct. 60.55-60.90, Dec. 61.51-61.60, March 62.35, May 62.85-62.90, July 63.00-63.20. Sales: 425,000 bales.

*Gold—March 181.40 (185.20), April 181.90 (185.70), May 183.20, June 184.50, Aug. 187.10, Oct. 189.70, Dec. 192.40, Feb. 195.10, April 198.10, June 201.10, Aug. 204.10, Oct. 207.10, Dec. 210.10, Feb. nil. Sales: 14,000 lots.

†Lard—Chicago loose 28.50 (26.62). New York prime steam 30.00 traded (same).

‡Maize—March 249½-248½ (241½), May 252½-253¼ (245½), July 253½-254½, Sept. 255½, Dec. 255½-256½, March 262½-263.

§Platinum—April 221.50-224.00 (229.60), July 225.00-227.70 (233.10), Oct. 230.00-231.00, Jan. 232.00-233.00, April 236.50, July 242.20-242.40. Sales: 1,578 lots.

¶Silver—March 533.40 (549.30), April 534.60 (549.60), May 538.50, July 548.40, Sept. 554.40, Dec. 566.70, Jan. 570.70, March 579.10, May 587.50, July 596.00, Sept. 604.60, Dec. 617.20, Jan. 621.40 settlements. Sales: 16,000 lots. Handy and Harman spot bullion 545.60.

Soyabean—March 708 bid (674), May 712½ bid (682½), July 720-720½, Aug. 715-716, Sept. 659½-660, Nov. 630-631, Jan. 634-635, March 643½.

‖Soyabean Meal—March 191.50-192.00 (178.50), May 190.20-190.20 bid (180.50), July 191.70 bid, Aug. 190.50 bid, Sept. 181.00-182.00, Oct. 172.00-171.00, Dec. 171.30-171.00, Jan. 174.00, March 176.00-176.10.

Soyabean Oil—March 27.55-27.60 (26.98), May 26.41-26.50 (25.85), July 25.90, Aug. 25.35-25.30, Sept. 24.20-24.30, Oct. 23.50, Dec. 22.60-22.50, Jan. 22.40 asked, March 22.40.

Sugar—No. 11: May 7.70-7.71 (7.78), July 8.04-8.05 (8.12), Sept. 8.38, Oct. 8.40-8.41, Jan. 8.50-8.70, March 9.20-9.21, May 9.44-9.48, July 9.62-9.66. Sales: 2,159 lots.

Tin—515.00-522.00 asked.

**Wheat—March 295½ (280½), May 292-300 (288); July 302-304, Sept. 307½, Dec. 313½-317, March 320½.

WINNIPEG, March 17. ††Rye—May 112.00 bid (110.70), July 110.10 bid (108.50), Oct. 109.20 bid, Nov. 107.50 bid, Dec. 105.50 bid.

††Oats—May 78.60 bid (75.60 bid), July 78.20 bid (75.50 asked), Oct. 75.70 bid, Dec. 74.50 bid.

‡‡Barley—May 78.00 bid (78.20 bid), July 79.00 bid (78.70 asked), Oct. 78.70 bid, Dec. 78.00 bid.

§§Flaxseed—May 241.50 (232.00), July 240.50 bid (232.00 asked), Oct. 238.40 bid, Nov. 237.00 bid, Dec. 237.00 bid.

‖‖Wheat—SCWRS 13.5 per cent. protein content cif St. Lawrence 159.22 (159.22).

All cents per pound ex-warehouse unless otherwise stated. * $s per troy ounce—100 ounce lots. † Chicago loose $s per 100 lbs—Dept. of Ag. prices previous day. Prime Steam f.o.b. NY bulk tank cars. ‡ Cents per 56 lb bushel ex-warehouse, 5,000 bushel lots. § $s per troy ounce for 50 ounce units of 99.9 per cent. purity delivered NY. ¶ Cents per troy ounce ex-warehouse. ‖ New "B" contract in $s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ** Cents per 60 lb bushel in store. †† Cents per 24 lb bushel. ‡‡ Cents per 48 lb bushel ex-warehouse. §§ Cents per 56 lb bushel ex-warehouse, 1,000 bushel lots. ‖‖ $ SC per tonne.

Save & Prosper Group Limited announce that the net asset value of SPLIT capital shares as at 28th February 1978 published in the table of Investment Trust Companies in yesterday's editions should have read 136.7p and not 153.2p.

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barnsley Metro. (0226 203232)	10	½-year	250	4-7
Kirklees (0484 22133)	10	½-year	500	4-6
Reading (0734 592337)	10	½-year	1,000	5-7
Redbridge (01-478 3020)	10	½-year	200	5-7
Southend (0702 49451)	9½	½-year	250	3
Thurrock (0375 5122)	10	½-year	300	4
Thurrock (0375 5122)	10½	½-year	300	5-7
Wrekin (0952 505051)	8	½-year	500	2
Wrekin (0952 505051)	10	yearly	1,000	4

BUILDING SOCIETY RATES

	Deposit Rate	Share Accnts.	Sub'pn Shares	*Term Shares
Abbey National	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs.
Alliance	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs., 5.75% 1 yr.
Anglia	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs., 5.75% 1 yr.
Birmingham	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs., 5.75% 1 yr.
Bradford and Bingley	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs., min. £500
Bristol and West	5.25%	5.50%	6.75%	—
Bristol Economic	5.75%	6.00%	7.25%	6.25% 3 months' notice
Britannia	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs.
Burnley	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs.
Cardiff	5.75%	6.30%	7.30%	—
Catholic	5.50%	●6.20%	7.25%	— ● 6.45% over £5,000
Chelsea	5.25%	5.50%	6.75%	6.25% 6 months' notice, minimum £500
Cheltenham and Gloucester	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs. (£500-£15,000)
Citizens Regency	5.25%	5.80%	7.30%	7.05% 3 yrs. over £5,000
City of London	5.50%	5.80%	6.75%	6.72% 3 yrs., min. £500
Coventry Economic	5.25%	5.50%	6.75%	6.50% 3 yrs.
Coventry Provident	5.25%	5.50%	7.50%	6.75% 3 yrs.
Derbyshire	5.25%	5.50%	6.75%	— Up to 8% 3 months' notice
Gateway	5.25%	5.50%	6.75%	6.50% 3yrs., 6.00% 2yrs., min.£500-£15,000
Greenwich	5.75%	6.10%	7.50%	7.10% 2 yrs., fixed 1% over Share Accts.
Guardian	5.75%	6.25%	8.30%	6.95% 3 mths' notice, minimum £1,000
Halifax	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs.
Hastings and Thanet	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 1½ yrs., £250-£15,000
Heart of England	5.25%	5.50%	6.75%	6.50% 3 yrs., 6% 3 months' notice
Hearts of Oak & Enfield	5.25%	5.75%	7.25%	6.75% 3 yrs., 6.50% 2 yrs., 6.25% 1 yr.
Hendon	5.30%	6.00%	—	6.50% 6 months' notice, minimum £2,000
Huddersfield & Bradford	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs., £100-£15,000
Leamington Spa	5.35%	5.60%	7.36%	6.35% 2 yrs.
Leeds Permanent	5.25%	5.50%	6.75%	—
Leicester	5.25%	5.50%	6.75%	6.50% 3yrs., 6.00% 2yrs., min.£100-£15,000
Liverpool	5.75%	6.00%	7.45%	7.10% 3 yrs., 6.60% 2 yrs., min. £1,000
London Goldhawk	5.75%	6.25%	7.50%	7.25% 3 yrs., 6.75% 1 yr.
Melton Mowbray	5.35%	5.60%	6.75%	6.35% 2 yrs., min. £2,000
Midshires	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs. min. £250
Mornington	†5.20%	6.20%	—	—
National Counties	5.50%	5.80%	6.80%	6.25% 6 months.
Nationwide	5.25%	5.50%	6.75%	6.50% 3-4 yrs., min. £500, 6.00% 2 yrs.
Newcastle Permanent	5.00%	5.50%	6.50%	6.60% 3 yrs., 6.30% 2 yrs.
New Cross	6.50%	6.75%	—	—
Northern Rock	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs., min. £100
Norwich	5.25%	5.50%	7.00%	6.25% 2 yrs., minimum £500
Paisley	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs. min. £500
Peckham Mutual	5.30%	6.00%	—	—
Portman	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs., 5.75% 3 mths.
Progressive	5.40%	5.65%	6.75%	6.65% 3yrs., 6.4% 2yrs., 6.15% 3mths.not.
Property Owners	■5.75%	6.50%	7.75%	6.90% 3 mths. not. ■5.00% to ltmtd. cos.
Provincial	5.25%	5.50%	6.75%	6.50% 3-4 yrs., 6.00% 2 yrs.
Skipton	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs.
Sussex Mutual	5.35%	5.80%	7.05%	6.85% 3 yrs., 6.35% 2 yrs., min. £500
Town and Country	5.25%	5.50%	†10.00%	6.50% 3 yrs., 6.00% 2 yrs. † Max. £250
Woolwich	5.25%	5.50%	6.75%	6.00% 2 yrs., 6.50% 3 yrs.

*Rates normally variable in line with changes in ordinary share rates. †Available from April 1.

By permission of the Stock Exchange Council

ERRATA
Exploration 23@ should not have been marked under Rule 163 1(e) (7 3)

MONEY + EXCHANGES

Fall in bill rate

Bank of England Minimum Lending Rate of 6½ per cent.
(since January 6, 1978)

The Treasury bill rate fell by 0.1134 per cent. to 5.8005 per cent. at yesterday's tender, and Bank of England Minimum Lending Rate was unchanged at 6½ per cent. The minimum accepted bid was £98.55, compared with £98.52 previously, and bids at that level were met as to about 60 per cent. The £300m. bills offered and allotted attract bids of £774.50m. and all bills tendered were allotted. Next week £600m. will be on offer replacing maturities of £450m.

Conditions were rather patchy in the London money market. There was an overall surplus of money in the banking system, but some discount houses had difficulty finding closing funds, paying up to 6½ per cent. to balance their books. The authorities felt however that there was probably still a surplus left at the close even though the Bank of England sold a moderate amount of Treasury bills to the houses.

Settlement was made for a very substantial amount of gilt-edged stock bought on Thursday, there was a fairly large net take-up of Treasury bills to finance, and the market was also faced with a sizeable rise in the note circulation. On the other hand banks brought forward surplus balances, and substantial Government disbursements exceeded revenue payments to the Exchequer.

Mar. 17 1978	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ф	Eligible Bank Bills ф	Fine Trade Bills ф
Overnight	—	5 6¾		—	—	6	5 6½	—	—	—
2 days notice	—	—	6⅛-6¼	—	—	—		—	—	—
7 days or 7 days notice	—	6⅛ 6¾	6⅛-6¼	—	6⅝-6½	6½	5¾ 6⅛	—	—	[illegible]
One month	6⅛-6¼	[illegible]	6¼-6⅜	6⅝ 6⅜	6⅜-6¾	6¾	6	6¾	6⅝-6¼	6⅞
Two months	6½ 6⅜	6⅜ [illegible]		6⅝ 6⅜	6¾-6⅞		6	[illegible]	[illegible]-6¼	6⅞
Three months	6½ 6⅝	6½ 6¾	6½	6⅝-6⅝	7	7	6	5⅞-5⅞	[illegible]	6¾-6⅞
Six months	6⅞ 6⅞	6⅞ 7⅛	6⅞-7	6⅞-7⅛	7¼	—	—	—	6⅞	7¼
Nine months	7⅛ 7⅛	7⅛ 7½		7⅛ 6¾	8	—	—	—	—	[illegible]
One year	7⅛-7¼	7⅛-7¼	7⅝ 7¾	7½-7⅛	8¼	—	—	—	—	—
Two years	—	—	8⅞-9	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rate nominally three years 9½-10 per cent.; four years 10-10½ per cent.; five years 10½-10¾ per cent. ф Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 6⅝ per cent.; four-month trade bills 6⅞ per cent.

Approximate selling rates for one-month Treasury bills 5⅞-5⅞ per cent.; two-month 5⅞-5⅞ per cent.; and three-month 5⅞ per cent. Approximate selling rate for one-month bank bills 6⅛-6⅛ per cent.; two-month 6⅛ per cent.; and three-month 6⅛-6⅛ per cent. One-month trade bills 6⅞ per cent.; two-month 6⅞ per cent.; and also three-month 6⅞-6⅞ per cent.

Finance House Base Rates (published by the Finance Houses Association) 7 per cent. from March 1 1978. **Clearing Bank Deposit Rates** for small sums at seven days' notice 3 per cent. **Clearing Bank Base Rates** for lending 6½ per cent. **Treasury Bills:** Average tender rates of discount 5.8005 per cent.

EXCHANGES AND BULLION

The dollar recovered from an early weakness to close at around its best level of the day in terms of most major currencies, but the foreign exchange market remains very nervous and trading was generally quiet ahead of the week-end.

European central banks probably took advantage of the quiet conditions to help the dollar, while Japanese banks in London may have intervened as agents for the authorities in Tokyo.

The dollar fell to a record low of Y229.50 against the yen during the morning, and closed at Y230.05, compared with Y232.05 on Thursday. The U.S. currency fell to DM2.0225 and Sw.Frs 1.8565 before lunch, but closed at DM2.0435 compared with DM2.0345 previously, and at Sw.Frs 1.8975 compared with Sw.Frs.1.8775.

The dollar's trade-weighted index, on Bank of England calculations, fell to 89.8 from 89.9, but its depreciation, according to Morgan Guaranty of New York, narrowed to 3.54 per cent. from 3.58 per cent.

The early weakness of the dollar pushed the pound up to a best level of $1.9205-1.9215 in the morning. Sterling fell to around $1.9150 by lunch time, and touched a low point of $1.9065-1.9075, before closing at $1.9070-1.9080, a fall of 70 points on the day.

Gold remained weak, influenced by nervous selling in the U.S. It touched a low point of $182½-183½ in the afternoon, and closed at $183½-184, unchanged on the day, but a fall of $1½ from the opening level.

GOLD MARKET

	Mar. 17	Mar. 16
Gold Bullion (a fine ounce)		
Close	$183¾-184	$183¾-184
Opening	$183-183¾	$185-185¾
Morning fixing	$184.50 (£96.124)	$185.55 (£97.101)
Afternoon fixing	$183.20 (£95.916)	$184.25 (£96.330)
Gold Coins... domestically		
Krugerrand	$188½-190½ ($98¼-99¼)	$189 191 ($98¼ 99¼)
New Sovereigns	$5[illegible] ($29¼-30¼)	$56½ 58½ ($29½-30½)
Old Sovereigns	$59½-61½ (£31-32)	$59½ 61½ (£31-32)
Gold Coins... internationally		
Krugerrand	$188½ 190½ ($98¼-99¼)	$189 191 ($98¼ 99¼)
New Sovereigns	$5[illegible] ($29¼-30¼)	$56½ 58½ ($29½-30½)
Old Sovereigns	$59½-61½ (£31 32)	$59½ 61½ (£31-32)
$20 Eagles	$295-298	$297-300

CURRENCY RATES

	Special Drawing Rights March 17	European Unit of Account March 17
Sterling	0.643868	0.655450
U.S. dollar	1.23172	1.25535
Canadian dollar	1.38618	1.41151
Austria schilling	18.0901	18.4118
Belgian franc	39.0909	39.7694
Danish krone	6.90379	7.04293
Deutsche mark	2.50569	2.55482
Dutch guilder	2.68082	2.73225
French franc	5.75460	5.85632
Italian lira	1053.67	1072.65
Japanese yen	283.296	288.550
Norway krone	6.53058	6.655596
Spain peseta	98.1077	99.8855
Swedish krona	5.67084	5.77876
Swiss franc	2.30886	2.35461

FOREIGN EXCHANGES

Mar. 17	Bank Rate %	Day's Spread	Close
New York	6½	1.9065-1.9215	1.9070-1.9080
Montreal	8	2.1445-2.1710	2.1450-2.1460
Amsterdam	4½	4.14-4.14	4.16-4.17
Brussels	6½	60.40-60.75	60.45-60.55
Copenhagen	9	10.67½-10.74	10.68½-10.69½
Frankfurt	3	3.87½-3.91	3.89½-3.90½
Lisbon	15	77.00-78.50	77.05-77.55
Madrid	8	152.00-155.10	152.00-152.10
Milan	11½	1.632-1.644	1.632-1.636
Oslo	8	10.13-10.19	10.14-10.15
Paris	9½	8.82-8.87	8.86½-8.80½
Stockholm	8	8.72-8.84	8.79½-8.80½
Tokyo	3½	437-447	440-442
Vienna	5½	27.85-28.15	28.00-28.10
Zurich	1	3.56½-3.62½	3.61½-3.62½

‡Rates given are for convertible francs. Financial franc 60.40-60.60.

OTHER MARKETS

		Notes	Rates
Argentina	1.542-1.546	Argentina	1580-1400
Australia	1.6620-1.6647	Austria	27½-28½
Brazil	31.15-32.15	Belgium	60-61½
Finland	7.95-7.96	Brazil	36-40
Greece	69.377-71.086	Canada	2.15-2.17½
Hong Kong	8.77-8.80½	Denmark	10.70-.8⅝
Iran	132-138	France	8.65-9.00
Kuwait	0.528-0.538	Germany	3.85-4.00
Luxembourg	60.40-60.75	Greece	68-74
Malaysia	4.48-4.49½	Italy	1580-1680
N. Zealand	1.8524-1.8708	Japan	440-455
Saudi Arab.	6.56-6.68	Netherlands	410-420
Singapore	4.39-4.40½	Norway	10.10-.30
S. Africa	1.6480-1.6757	Portugal	72-87
U.S.		Spain	150-155
Canada		Switzerland	3.65-3.75
($)		U.S.	1.90½-.92
U.S. cents	88.87-88.90	Yugoslavia	36-37½

Rate given for Argentina is a free rate.

EXCHANGE CROSS-RATES

Mar. 17	Frankfurt	New York	Paris	Brussels	London	Amst'd'm	Zurich
Frankfurt	—	2.051-059	45.03-68	6.461-451	3.89-90	93.40-60	105.15-55
New York	48.93-98	—	21.65-60	3.15-1575	1.9070-9080	45.75-85	52.54-65
Paris	229.0-.60	4.668-672	—	14.715-749	8.8295-9485	213.20-70	245.40-92
Brussels	15.64-59	31.71-76	6.78-81	—	60.67-24	14.56-61	16.24-95
London	3.89½-902	1.907-908	8.88¾-90½	60.45-66	—	4.16-17	3.61½-62½
Amst'dam	106.935-985	2.1747-72	46.645-695	6.8766-8215	4.1625-1705	—	116.035-055
Zurich	92.95-.359	1.901-906	40.5765-770	6.9931-0164	3.6262-6576	87.1819-651	—

U.S. $ in Toronto U.S. $ = 112.56-56 Canadian cents.
Canadian $ in New York = 88.82-84 cents. U.S. $ in Milan 855.40-.80.
Sterling in Milan 1,634.75-1,635.75.

EURO-CURRENCY INTEREST RATES*

Mar. 17	Sterling	Canadian Dollar	U.S. Dollar	Dutch Guilders	Swiss franc	W. German mark
Short term	5⅛-5⅜	6¼-7¼	6¾-7	5¼-5½	[illegible]	3⅛-3⅜
7 days notice	6⅝-5⅝	6¼-7¼	6¾-7	5¼-5½	[illegible]	3⅛-3⅜
Month	6⅞-7	7.7⅜	7¼-7⅛	5¼-5½	[illegible]	3⅛-3⅜
Three months	6⅞-7⅞	7¼-7⅝	7⅛-7⅜	5-5¼	[illegible]	3⅛-3⅜
Six months	7⅜-7⅝	7⅞-7⅞	7½-7¾	4⅞-5⅛	¾-⅞	3¼-3⅜
One year	7⅝-7⅞	7¾-8⅛	7⅝-7⅞	5⅜-5⅝	1⅛-1⅛	3¼-3⅝

Euro-French deposit rates: two-day 10½-10¾ per cent.; seven-day 10½-10¾ per cent.; one-month 9⅞-10 per cent.; three-month 9⅞-10½ per cent.; six-month 10-10½ per cent.; one-year 10½-10¾ per cent.

Long-term Eurodollar deposits: two years 7¹³⁄₁₆-8⅛ per cent.; three years 8⅛-8⅜ per cent.; four years 8⁵⁄₁₆-8⅝ per cent.; five years 8⅝-8⅞ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 6.90-7.00 per cent.; three-month 7.05-7.15 per cent.; six-month 7.30-7.40 per cent.; one-year 7.55-7.65 per cent.

* Rates are nominal calling rates.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

FORWARD RATES

	One month	Three months
New York	0.05-0.15c. dis	par-0.10c. dis
Montreal	0.05-0.15c. dis	0.20-0.30c. dis
Amst'dam	[illegible] par	2½-1½c. pm
Brussels	5c. pm-5c. dis	15-5c. pm
Cop'nhgn.	5½-7½ ore dis	17-19 ore dis
Frankfurt	1⅝-⅝ pf. pm	4-3 pf. pm
Lisbon	70-180c. dis	375-600c. dis
Madrid	60-140c. dis	225-315c. dis
Milan	8-14 lire dis	26-34 lire dis
Oslo	5¾-7¾ ore dis	13½-15½ ore dis
Paris	1½-2¾c. dis	5¼-6¼c. dis
Stckholm	2¾-4¾ ore dis	6⅛-8⅛ ore dis
Vienna	par-10 gro dis	4-14 gro dis
Zurich	2½-1½c. pm	6⅜-5⅜c. pm

Six-month forward dollar par-0.10c dis, 12-month 0.15-0.15c pm.

U.K. CONVERTIBLE STOCKS 17/3/78

Statistics provided by data STREAM International

Name and description	Size (£m.)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.▽	Cheap(+) Dear(−)◇ Current
Alcan Aluminium 9pc Cv. 89-94	9.05	145.00	100.0	76-80	6.3	4.2						
Associated Paper 9½pc Cv. 85-90	1.40	92.00	200.0	76-79	10.5	10.9	− 1.1	−10 to 1	8.9	8.9	− 0.0	+ 1.1
Bank of Ireland 10pc Cv. 91-96	8.22	148.00	47.6	77-79	6.7	4.9	− 7.2	− 12 to −3	15.0	9.1	− 3.7	+ 3.5
British Land 12pc Cv. 2002	7.71	133.00	333.3	80-97	9.4	9.2	20.9	10 to 26	0.0	95.6	86.9	+66.0
English Property 6½pc Cv. 98-03	8.64	89.00	234.0	76-79	7.5	7.7	− 1.2	− 8 to 2	11.7	6.2	− 6.1	− 4.9
English Property 12pc Cv. 00-05	15.31	95.00	150.0	76-84	13.3	13.3	64.5	40 to 75	32.0	53.0	36.4	−28.1
Grand Metropolitan 10pc Cv. 91-96	122.30	119.50	120.2	73-78	8.7	8.2	− 1.1	− 13 to 0	0.0	0.0	0.0	+ 1.1
Hanson Trust 6½pc Cv. 88-93	4.51	80.00	57.1	76-80	8.1	8.9	2.9	− 1 to 10	11.0	8.7	− 3.0	− 6.0
Hewden-Stuart 7pc Cv. 1995	0.07	220.00	470.4	75-79	3.2	0.1	−13.4	−17 to −5	14.8	6.5	− 3.3	+10.1
Pentos 15pc Cv. 1985	1.06	130.00	166.7	76-82	11.8	10.0	− 0.0	− 1 to 8	48.2	48.0	− 0.1	− 0.1
Slough Estates 10pc Cv. 87-90	5.50	133.00	125.0	78-87	6.8	3.5	6.9	5 to 12	38.0	56.2	12.7	+ 5.8
Tozer, Kemsley 8pc Cv. 1981	7.33	87.00	153.9	74-79	9.1	12.2	31.5	26 to 41	12.2	7.3	− 7.4	−38.9
Wilkinson Match 10pc Cv. 83-98	11.10	90.00	40.0	76-83	11.4	11.5	30.8	22 to 38	26.7	40.7	20.4	−10.4

* Number of Ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent. of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of Ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on Ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent. per annum and is present valued at 12 per cent. per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent. per annum. ▽ This is income of the convertible less income of the underlying equity expressed as per cent. of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent. of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness.

STOCK EXCHANGE REPORT

Gilt-edged fall back in thin trade as buyers retreat

Equities mixed and index sheds 1.1 to 457.2—Golds lower

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Feb. 27	Mar. 9	Mar. 10	Mar. 21
Mar. 13	Mar. 30	Mar. 31	Apr. 11
Apr. 3	Apr. 13	Apr. 14	Apr. 25

* " New time dealings may take place from 9.30 a.m. two business days earlier.

Stock markets eased on a broad front yesterday at the end of the first leg of the three-week holiday Account. Leading shares were marked up at the start following Thursday's late improvement, but support was not forthcoming and prices gradually slipped away to close narrowly mixed but easier for choice.

Six days of the recent controlled advance in the Gilt-edged market were retraced yesterday with recent buyers apparently satisfied. The Government broker was not tested at his tap levels and the longer quotations ended with falls to ¾ after ⅞. The Government Securities index, up 1.59 in the previous ten days, reacted 0.49 to 75.54.

Trading was thin again as seen in official markings of 4,935 compared with recent figures in excess of 5,500 and price movements of note again centred on companies in the news or on special situations. Press comment on BP's results led to some clarification after the confusion which accompanied the previous day's announcement and the shares advanced 18 to 764p. GEC, on the other hand, showed marked weakness at 230p following loose talk about a broker's adverse circular before ending 13 down on balance at 247p. Other index stocks rarely moved by more than twopence and the FT 30-Share Index ended 1.1 down at 457.2 after having been three points up at the 10 am calculation. The index loss on the week was 1.8 after the previous week's advance of 22.8.

Gold shares came on offer again. The bullion price was held in check at $183⅝ an ounce compared with $189⅜ ten days ago, and the Gold Mines share index gave up 5.9 for a three-day loss of 16.7 at 149.6

Gilts react

Indigestion on the part of buyers, after this week's run on both the short and long taps was held responsible for a reaction in British Funds. The former were affected only to a minor degree but the longer maturities sustained falls of ¾, after ⅞, following a business which bore little comparison with the busy trade seen earlier in the week. Nonetheless, the shake-out was adjudged a healthy movement after the past few day's speculation regarding the pending exhaustion of the short tap issue, Exchequer 8¾ per cent. 1983, which is now expected early next week given a resumption of the recent demand. This was augmented yesterday by the latest fall in the U.K. inflation rate. Corporations were in better fettle than the main funds and staged the occasional gain extending to ⅛.

An early fall in the investment current premium to 91 per cent was followed by a much better-balanced trade, most of which was effected between rates of 91½ and 92 per cent. The close was the mean of these two rates, down 1¼ further on the day. Sterling's trend made some impact on opening sentiment but thereafter its influence was less than earlier in the week. Yesterday's SE conversion factor was 0.7095 (0.7017).

Isolated Bank features

Clearing Bank features were generally confined to **Bank of Scotland**, up 8 at 273p, helped by a stock shortage, and **Bank of Ireland**, which jumped 12 to 347p in a thin market. **Allied Irish**, too, figured prominently at 167p, up 4. **Barclays** fared best after a quiet day in big four, closing 5 dearer at 330p, while **Lloyds** hardened 2 to 272p. **Alexanders**, another 5 higher at 235p, were among isolated improvements in the Discount House sector, while buying ahead of Monday's interim results lifted **London Scottish Finance** 3 to 35p in Hire Purchases.

Composite Insurances continued their downdrift with **Royals** losing 4 to 376p and **General Accident** a similar amount to 220p. Life issues also eased but, still moving against the trend, **Britannic** gained 2 more to 162p for a rise of 8 since Wednesday's increased dividend announcement. Awaiting Monday's preliminary figures, **Willis Faber** shed 3 to 290p, in Brokers.

Breweries were again generally neglected. **Bass Charrington** firmed 2 to 153p. Elsewhere, **Distillers** edged forward 2 to 173p awaiting news of the company's appeal to the European Court over the EEC Commission's ruling on its pricing policy.

Building issues generally had a firm tone, but gains in the leaders were mostly restricted to a couple of pence. Press comment prompted interest in **Richard Costain**, 250p, and **Taylor Woodrow**, 360p, which put on 4 and 2 respectively. Press comment also helped **Marchwiel**, 2 up at 254p.

In Chemicals, **ICI** eased 2 to 345p, but **Fisons** recovered 4 to 337p in a thin market. **Stewart Plastics**, after yesterday's hectic trade, held steady at 135p.

GEC above worst

Marked weakness in **GEC**, which dropped to 230p before recovering to close 13 down on balance at 247p, was prompted by talks of a broker's adverse circular. Outside of the Electrical leaders, **H. Wigfall** jumped to 242p before settling at 233p for a rise of 10 on the day following Press comment suggesting the possibility of a counter-offer; **Comet Radiovision**'s bid is currently worth 274p per share.

After opening firmly, Stores drifted back on lack of interest and closed little changed apart from **British Home Stores**, which eased 4 to 177p. Higher earning failed to sustain **Church**, 3 easier at 169p, but **Waring and Gillow** hardened 2 more to 86p on further consideration of the interim statement. Press comment influenced **MFI Furniture**, a penny better at 72p, and **Greenfield Milletts**, 1½ firmer at 45½p, while after recent weakness on the first-half profits setback, **James Walker** non-voting rallied 2 to 86p. Interest was also shown in **Blackman and Conrad**, a penny better at 17p, and **House of Lerose**, 3 harder at 60p.

Apart from **Tubes**, which closed 2 dearer at 370p ahead of next Wednesday's results, leading Engineerings finished the day with losses of a few pence. Elsewhere, **Wolseley-Hughes** responded afresh to the good interim results with a further rise of 5 to 192p, while the increased dividend and profits left **Hall Engineering** 4 to the good at 95p. **Fluidrive** advanced 8 to 76p on demand in a market none too well supplied with stock. **Blakey's Malleable Castings** closed 4 up at 52p in line with the recommended counter-bid from Allied Insulators; **Centreway Securities**, which has now withdrawn its offer, moved up 6 to 203p. **Habit Precision** returned to favour with a gain of 2 to 35p, while others to record modest improvements included **Burgess Products**, 3 up at 37p, and **Hill and Smith**, 2½ better at 43½p. Among Shipbuilders, **Vosper** encountered profit-taking at 172p, down 4, after the recent improvement on nationalisation compensation speculation.

Fitch Lovell figured more prominently as bid hopes revived and closed 3 better at 68p, after 69p. Elsewhere in Foods, **Taverner Rutledge** rose similarily to 103p and **Danish Bacon A** moved up 5 to 115p. **Associated Fisheries** eased a penny to 45p reflecting the chairman's comment at the annual meeting that the prospect for the current year is grim. Supermarkets had firm spots in **Hillards**, 3 up at 187p, and **William Morrison**, 5 higher at 187p.

Grand Metropolitan returned to favour, the Ordinary rising 3 to 103p and the 10 per cent. Convertible Loan 1991-96 2½ points to £122.

Miln Marsters up

Inclined harder at the start, miscellaneous Industrial leaders drifted back and final quotations were a shade lower on balance. **Unilever** ended 4 off at 480p, while **Reed International**, down 2 further at 110p, remained unsettled by the company's failure to sell off its South African interests. Elsewhere, **Miln Marsters** responded afresh to the half-yearly results with a rise of 9 to 155p, while Press comment on the preliminary figures prompted renewed firmness in **Gibbons Dudley**, up 2 more at 65p. **De La Rue** found support and put on 7 to 260p, but **L. and J. Hyman** encountered profit-taking after the recent speculative advance and reacted 4 to 31p. Satisfactory annual results left **Johnson Group Cleaners** 2 up at 85p and **Smith and Nephew** a penny harder at 61½p. Buying interest revived in **Securicor**, the Ordinary rising 5 to 82p and the A 4 to 80, while demand was also forthcoming for **Security Services**, which put on 6 to 92p. Gains of 3 were marked against **Neill and Spencer**, 77p, and **Brook Street Bureau**, 67p.

Motors and Distributors closed on a firm note following reports of booming car sales. **Rolls-Royce**, still reflecting this week's better-than-expected preliminary figures, featured with a rise of 3 to 81p for a gain on period of 12½. **Tate of Leeds** picked up a like amount at 57p ahead of Monday's preliminary statement, while Press comment influenced **Lex Service** and **Appleyard** both of which finished a penny harder at 70p and 79p respectively. **Bluemel Bros.** were also supported at 65p, up 3. **Lucas Industries**, however, eased 3 to 264p on further consideration of the company's plans to phase out production at its Liverpool plant.

Associated Book replaced **News International**, unchanged at 260p, as the forerunner in Newspapers/Publishers and in a thin market closed 8 higher at 138p. Small demand based on the view that the lower profits were no worse than expected lifted **William Collins** 4 to 128p. Elsewhere, **Thomson** edged forward to 190p, but **Daily Mail A** slipped 5 to 275p and, despite favourable Press mention, **Mills and Allen** settled without change at 183p, after having made a fresh 1977-78 peak of 190p.

Publicity given to a broker's circular tended to support a firm undertone in Properties although gains were usually small. However, a fair amount of speculative buying pushed **Rush and Tomkins** 5 ahead to 104p. **Fairview Estates** firmed a further 2 to 104p, and **Stock Conversion** moved up 4 to 238p. **County and District** put on 3 to 81p helped by option business, but gains in the leaders were restricted to a penny.

BP advance

British Petroleum took a distinct turn for the better after the previous day's gyrations which followed the annual results and pushed ahead with the assistance of U.S. influences to close at the day's best of 764p, up 18. **Shell** also traded firmly and put on 8 to 508p. Among North Sea hopefuls, profit-taking after Thursday's advance on the oil discovery left **Oil Exploration** 4 off at 208p. **Sceptre Resources** were also dull at 522p, down 19, but **Siebens (U.K.)** encountered support at 244p, up 8.

Harrisons and Crosfield stood out in Overseas Traders with a rise of 17 to 367p, while **Sime Darby** closed 1½ harder at a 1977-1978 peak of 126p, a rise on the week of 17, on further consideration of the interim results and capital proposals. Small gains were seen in **William Jacks**, 24p, and **United City Merchants**, 48p.

Investment Trusts closed with the occasional small gain following a light trade. **Border and Southern** rose 3 to 245p, while Capital issues had **Dualvest** 3 better at 181p and **Throgmorton** 4 higher at 94p. **Parambe** edged forward a penny to 12½p in Financials.

Shippings held close to the overnight levels, **Ocean Transport** closing a penny better at 132p in response to Press comment.

BAT Industries were on offer following the chairman's view of current prospects, the Ordinary and Deferred closing 8 cheaper at 297p and 257p respectively.

South African Industrials were notable for fresh weakness in **Gold Fields Properties**, which declined 6 to 67p for a loss on the week of 17. **Primrose** closed a penny easier at 53p; news of the 130 cents a share bid from Tongaat came late in the evening.

Consolidated Plantations featured Rubbers with a rise of 7 to a 1977-78 peak of 123p in belated response to the interim results and capital proposals.

Poor week for Golds

South African Golds were marked down for the third successive day in the absence of buying interest. The bullion price closed unchanged on the day at $183.625 per ounce after having eased further to $183.20 at the afternoon fixing. Over the week the bullion price has fallen $2.50 while the Gold Mines index has dropped 8.2 following a further 5.9 loss yesterday to 149.6—its lowest since February 10.

After opening lower, Golds were sold throughout the day although bear closing in the late trade enabled one or two to close fractionally above the worst.

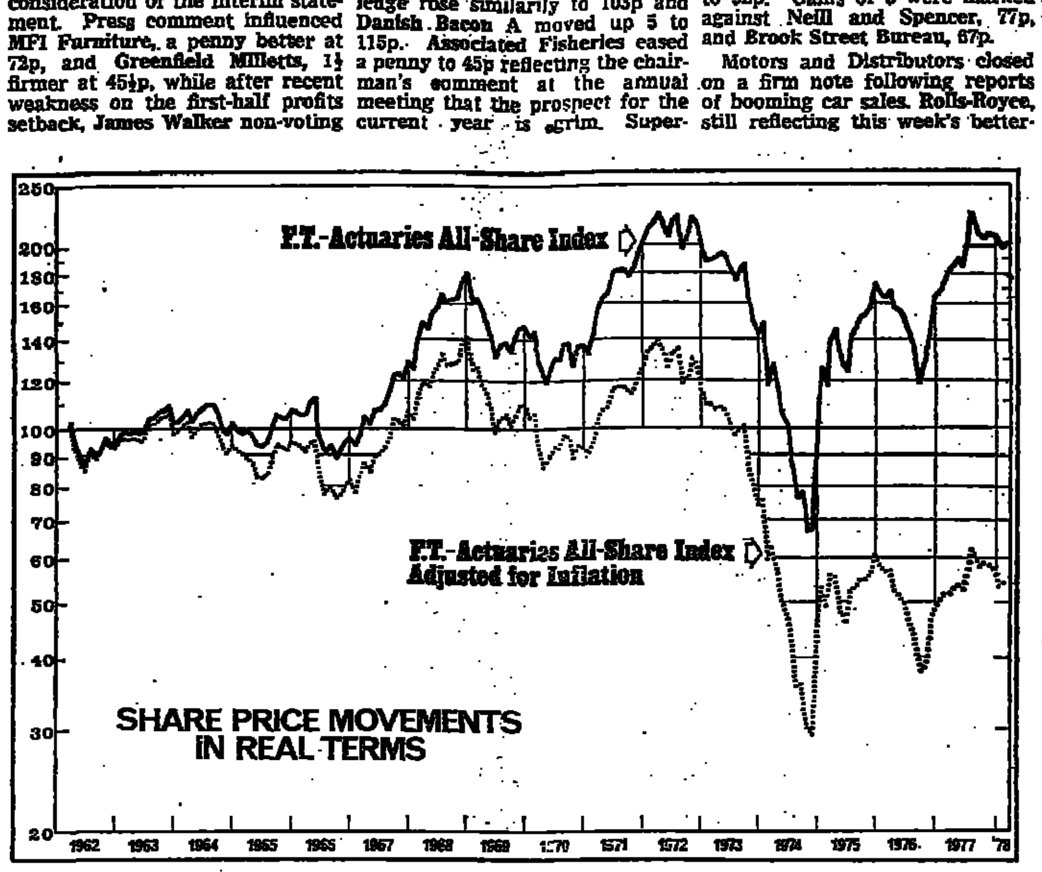
This was not the case with marginals, however. Responding to the chairman's discouraging remarks in their respective annual reports, **Durban Deep** plummeted 83 to 192p and **East Rand Proprietary** 70 to 295p. **West Rand Consolidated** dropped 19 to 85p in sympathy. Other marginals to register sharp falls included **Grootvlei**, 12 down at 100p and **Leslie**, 5 cheaper at 36p.

Worst affected among the high grade producers were **Western Holdings**, which fell to £17⅜ and **Free State Geduld**, a half-point down at £15; both companies are expected to announce interim dividends on Monday. **Harmony** gave up 11 to 354p despite Thursday's announcement of an increased final dividend.

South African Financials tended to lose ground, while changed, in sympathy with Golds. De Beers relinquished 4 more to 323p, a week's fall of 15 owing to profit-taking and money switching operations. General Mining which on Tuesday announced improved 1977 profits and an increased final dividend, gave ¼ to £15¾.

London-registered Financials traded quietly and were unchanged both on the day and the week. Tins generally reflecting the recent downturn in the metal price. Losses of 5 were common to Idris and Southern Malayan at 85p and 245p respectively, while Southern Kinta eased 2 to 14p.

The lack of direction in domestic markets was reflected in a quiet Australian section. Western Mining eased a penny to 102p but remained 8 better over the week following the encouraging hydrocarbon traces found in the Houtman No. 1 well offshore Western Australia in which Western Mining's partners Esso.



FINANCIAL TIMES STOCK INDICES

—	Mar. 17	Mar. 16	Mar. 15	Mar. 14	Mar. 13	Mar. 10	A year ago
Government Secs.	75.54	76.03	75.96	75.92	75.65	75.68	69.[illegible]
Fixed Interest	78.25	78.38	78.42	78.25	78.12	77.89	67.[illegible]
Industrial Ordinary	457.2	458.3	463.9	460.4	459.6	459.0	42[illegible]
Gold Mines	149.6	155.5	161.1	166.5	161.5	157.9	13[illegible]
Ord. Div. Yield	5.91	5.90	5.96	5.89	5.89	5.91	6.[illegible]
Earnings Y'ld % (full)(*)	17.38	17.36	17.52	17.31	17.32	17.57	16.[illegible]
P/E Ratio (net) (*†)	8.07	8.06	8.00	8.10	8.10	8.07	8.[illegible]
Dealings marked	4,935	4,824	5,663	5,623	5,597	5,401	7,04[illegible]
Equity turnover £m.	—	58.01	71.20	77.01	64.07	100.05	75.2[illegible]
Equity bargains total	—	14,466	14,966	15,298	16,368	16,697	18,3[illegible]

10 a.m. 461.3. 11 a.m. 458.8. Noon 457.5. 1 p.m. 457.8. 2 p.m. 457.6. 3 p.m. 457.7.

Latest Index 01-246 8026.

* Based on 52 per cent. corporation tax. † Nil=8.02.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1977/78 High	1977/78 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	79.88 (30/9)	60.45 (4/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1/76)	60.49 (4/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	549.2 (14/9)	357.6 (12/1)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	174.5 (18/10)	95.1 (1/2)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 17	Mar. 16
—Daily—		
Gilt-Edged	203.8	195.[illegible]
Industries	158.7	150.4
Speculative	44.5	48.[illegible]
Totals	112.3	109.8
5-day Av'rage		
Gilt-Edged	195.7	186.4
Industrials	173.6	178.3
Speculative	49.4	51.7
Totals	120.8	122.[illegible]

NEW HIGHS AND LOWS FOR 1977/78

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1977-78.

NEW HIGHS (38)

CORPORATION LOANS (2)
L'pool 5¼pc '76-78 L.C.C. 6pc '76-79

BANKS (2)
Credit France Cie. Bancaire

BUILDINGS (3)
Heywood Williams Whittingham (W.)
Royco

STORES (3)
MFI Furniture Vernon Fashion
Ramar Textiles

ENGINEERING (7)
Alcan 9pc Conv. Hill & Smith
Birmingham Pallet Metalrax
Blakey's Pratt (F.)
Habit Precision

INDUSTRIALS (9)
First Castle Secs. Security Services
Johnson Cleaners Do. A N-V
St.-Gobain Sotherby P. B.
Securicor Wilkes (J.)
Do. A N-V

PAPER (1)
Mills & Allen Intl.

PROPERTY (1)
Winston Estates

SHIPPING (1)
Jacobs (J. I.)

TRUSTS (2)
Intl. Pacific Secs. Suez Finance

OVERSEAS TRADERS (1)
Sime Darby

RUBBERS (6)
Consld. Plants. Kulim
Highlands Malakoff
Kuala Kepong Plantation Hldgs.

NEW LOWS (4)

CANADIANS (1)
Brascan

OVERSEAS TRADERS (1)
Borthwick (Thos.)

MINES (2)
West Rand Tara Exploration

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1977-78 high	1977-78 low
BP	£1	19	764	+18	966	720
GEC	25p	17	247	−13	284	163
ICI	£1	13	345	− 2	446	325
Reed Intl.	£1	11	110	− 2	233	100
Shell Transport	25p	11	508	+ 8	635	454
P. & O. Ded.	£1	10	97	—	175	95
BATs Defd.	25p	9	257	− 8	265	202
Beecham	25p	9	620	− 2	693	372
GKN	£1	8	279	+ 1	369	260
EMI	50p	7	145	− 1	254	141
Grd. Metropolitan	50p	7	103	+ 3	109	62
British Leyland	50p	6	23	—	28	17
Courtaulds	25p	6	112	—	135	80
Debenhams	25p	6	99	− 1	120	66½
Dunlop	50p	6	80	—	124	78

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e) and reproduced to-day in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1977-78 high	1977-78 low
BP	£1	78	764	+24	966	720
Shell Transport	25p	73	508	+ 3	635	454
GEC	25p	62	247	−10	284	163
ICI	£1	60	345	+ 1	446	325
BATs Defd.	25p	53	257	− 3	265	202
Reed Intl.	£1	50	110	−10	233	100
Barclays Bank	£1	45	330	+10	350	228
De Beers Defd.	R0.05	44	323	−15	344	188
Grd. Metropolitan	50p	43	103	+ 3	109	62
Burmah Oil	£1	42	47	− 1	83	41
Marks & Spencer	25p	41	146	− 5	173	96
Beecham	25p	40	620	+ 8	693	372
EMI	50p	39	145	− 2	254	141
Lucas Inds.	£1	39	264	+10	338	203
Rank Org.	25p	38	248	+ 8	276	128

BASE LENDING RATES

A.B.N. Bank	6½%	■ Hill Samuel §	6½%
Allied Irish Banks Ltd.	6½%	C. Hoare & Co. †	6½%
American Express Bk.	6½%	Julian S. Hodge	7½%
Amro Bank	6½%	Hongkong & Shanghai	6½%
A P Bank Ltd.	6½%	Industrial Bk. of Scot.	6½%
Henry Ansbacher	6½%	Keyser Ullmann	6½%
Banco de Bilbao	6½%	Knowsley & Co. Ltd.	9 %
Bank of Credit & Cmce.	6½%	Lloyds Bank	6½%
Bank of Cyprus	6½%	London & European	8 %
Bank of N.S.W.	6½%	London Mercantile	6½%
Banque Belge Ltd.	6½%	Midland Bank	6½%
Banque du Rhone	7 %	■ Samuel Montagu	6½%
Barclays Bank	6½%	■ Morgan Grenfell	6½%
Barnett Christie Ltd.	8½%	National Westminster	6½%
Bremar Holdings Ltd.	7½%	Norwich General Trust	6½%
Brit. Bank of Mid. East	6½%	P. S. Refson & Co.	6½%
■ Brown Shipley	6½%	Rossminster Accept'cs	6½%
Canada Permanent AFI	6½%	Royal Bk. Canada Trust	6½%
Capitol C & C Fin. Ltd.	9 %	Schlesinger Limited	6½%
Cayzer Ltd.	7 %	E. S. Schwab	8½%
Cedar Holdings	8 %	Security Trust Co. Ltd.	7½%
■ Charterhouse Japhet	6½%	Shenley Trust	9½%
Choulartons	6½%	Standard Chartered	6½%
C. E. Coates	7½%	Trade Dev. Bank	6½%
Consolidated Credits	6½%	Trustee Savings Bank	6½%
Co-operative Bank *	6½%	Twentieth Century Bk.	7½%
Corinthian Securities	6½%	United Bank of Kuwait	6½%
Credit Lyonnais	6½%	Whiteaway Laidlaw	7 %
The Cyprus Popular Bk	6½%	Williams & Glyn's	6½%
Duncan Lawrie ¶	6½%	Yorkshire Bank	6½%
Eagil Trust	6½%		
English Transcont.	8 %		
First London Secs.	6½%		
First Nat. Fin. Corpn.	8½%		
First Nat. Secs. Ltd.	8 %		
■ Antony Gibbs	6½%		
Greyhound Guaranty	6½%		
Grindlays Bank ‡	6½%		
■ Guinness Mahon	6½%		
■ Hambros Bank	6½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 3%. 1-month deposits 3¼%.
† 7-day deposits on sums of £10,000 and under 3%, up to £25,000 3½% and over £25,000 4½%.
‡ Call deposits over £1,000 3%.
§ Demand deposits 4%.
¶ Rate also applies to Sterling Ind. Secs.

OPTIONS TRADED

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar. 7	Mar. 20	Jun. 8	Jun. 21
Mar. 21	Apr. 10	Jun. 22	Jul. 5
Apr. 11	Apr. 24	July 6	July 19

For rate indications see end of Share Information Service

Money was given for the call of Blackman and Conrad, Fisons, Kier, Grand Metropolitan, Royco, Britannia Arrow, Cons. Gold Fields, Town and City Properties, Rio Tinto-Zinc, Ladbroke Warrants, British Land, Barker and Dobson, William Whittingham, Bridgend Processes, Elsburg Gold, British Vita and County and District Properties. Puts were taken out in Ladbroke Warrants, H. Wigfall and Trust Houses Forte, while doubles were arranged in Racal Electronics, Town and City Properties, Premier Consolidated Oil, Trust Houses Forte and British Land.

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Corpns Dominion and Foreign Bonds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Financial and Property	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Plantations	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Recent Issues	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Recent Issues	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Totals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1977/8 High	1977/8 Low	Stock	Closing Price p	+or−	Div.	Times Covered	Gross Yield	P/E Ratio
—	—	—	—	—	Nil	—	—	—	—	—	—

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS and SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., March 17, 1978
1 CAPITAL GOODS (170)	[illegible]
2 Building Materials (27)	[illegible]
3 Contracting, Construction (28)	[illegible]
4 Electricals (15)	[illegible]
5 Engineering Contractors (14)	[illegible]
6 Mechanical Engineering (71)	[illegible]
8 Metals and Metal Forming (17)	[illegible]
11 CONSUMER GOODS (DURABLE) (52)	[illegible]
12 Lt. Electronics, Radio TV (15)	[illegible]
13 Household Goods (12)	[illegible]
14 Motors and Distributors (25)	[illegible]
21 CONSUMER GOODS (NON-DURABLE) (176)	[illegible]
22 Breweries (14)	[illegible]
23 Wines and Spirits (6)	[illegible]
24 Entertainment, Catering (17)	[illegible]
25 Food Manufacturing (22)	[illegible]
26 Food Retailing (15)	[illegible]
32 Newspapers, Publishing (13)	[illegible]
33 Packaging and Paper (15)	[illegible]
34 Stores (39)	[illegible]
35 Textiles (25)	[illegible]
36 Tobaccos (3)	[illegible]
37 Toys and Games (6)	[illegible]
41 OTHER GROUPS (97)	[illegible]
42 Chemicals (19)	[illegible]
43 Pharmaceutical Products (7)	[illegible]
44 Office Equipment (6)	[illegible]
45 Shipping (10)	[illegible]
46 Miscellaneous (55)	[illegible]
49 INDUSTRIAL GROUP (495)	[illegible]
51 Oils (5)	[illegible]
59 500 SHARE INDEX	[illegible]
61 FINANCIAL GROUP (100)	[illegible]
62 Banks (6)	[illegible]
63 Discount Houses (10)	[illegible]
64 Hire Purchase (5)	[illegible]
65 Insurance (Life) (10)	[illegible]
66 Insurance (Composite) (7)	[illegible]
67 Insurance Brokers (10)	[illegible]
68 Merchant Banks (14)	[illegible]
69 Property (31)	[illegible]
70 Miscellaneous (7)	[illegible]
71 Investment Trusts (50)	[illegible]
81 Mining Finance (4)	[illegible]
91 Overseas Traders (19)	[illegible]
99 ALL-SHARE INDEX (673)	[illegible]

FIXED INTEREST PRICE INDICES

British Government	Fri. Mar. 17	Day's change %	xd adj. To-day	xd adj. 1978 to date
1 Under 5 years	[illegible]	[illegible]	[illegible]	[illegible]
2 5-15 years	[illegible]	[illegible]	[illegible]	[illegible]
3 Over 15 years	[illegible]	[illegible]	[illegible]	[illegible]
4 Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]
5 All stocks	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

		Fri. Mar. 17	Thurs. Mar. 16	Year ago (approx.)	1977-78 Highs	1977-78 Lows
1 Low Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Medium Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 High Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Irredeemables		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Fri. Mar 17
15 20-yr. Red. Deb. & Loans (15)	[illegible]
16 Investment Trust Prefs. (15)	[illegible]
17 Coml. and Indl. Prefs. (20)	[illegible]

[illegible]

INSURANCE, PROPERTY, BONDS

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

J.E.T. Managers (Jersey) Ltd.
PO Box 194, Royal Tst. Hse., Jersey 0534 27441

Jersey Extrnl Tst.	125.0	133.0	.....	—

As at Feb. 28. Next sub. day Mar. 31.

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	SHK210.69	.....	3.40
Jardine J'pn. Fd.*	SHK283.04	.....	1.10
Jardine S.E.A.	SUS11.89	.....	2.60
Jardine Flem.Int.†	SHK8.96	.....	—

NAV Feb. 28. *Equivalent SUS61.40. Next sub. March 31.

Kemp-Gee Management Jersey Ltd.
1, Charing Cross, St. Helier, Jersey. 0534 73741

Kemp-Gee Capital	79.7	82.1	.....	—
Kemp-Gee Income	64.8	66.9	.....	8.55

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555

Cnv.Bd Fd Mar. 16	SUS9.42	-0.02	—
Engy.Int Mar. 16	SUS15.61	+0.13	—
Gr St SFd Feb. 28	SUS6.51	.....	—
Mer.Eur Fd Mar. 15	SUS10.14 10.25	.....	—

Warburg Invest. Mngt. Jrsy. Ltd.
1, Charing Cross, St. Helier, Jsy. CI 0534 73741

CMF Ltd. Feb. 23	SUS12.37	12.69	.....	—
CMT Ltd. Feb. 23	£12.62	12.95	.....	—
Mtals Tst Mar. 16	£11.48	11.76	.....	—
TMT Mar. 9	SUS9.18	9.42	.....	—
TMT Ltd. Mar. 9	£9.28	£9.52	.....	—

World Wide Growth Management
10a Boulevard Royal, Luxembourg.

Worldwide Gth Fd	SUS12.95	+0.03	—

NOTES

Prices do not include $ premium except where indicated ✝ and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ✝ Net of tax on realised capital gains unless indicated by ✝. § Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision.

CLIVE INVESTMENTS LIMITED
1 Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101.
Index Guide as at 7th March, 1978 (Base 100 at 14.1.77.)

Clive Fixed Interest Capital	135.81
Clive Fixed Interest Income	122.63

CORAL INDEX: Close 453-458

INSURANCE BASE RATES

† Property Growth	7½%
† Vanbrugh Guaranteed	7.12%

† Address shown under Insurance and Property Bond Table.

... Index Limited 01 351 3466. Three month Zinc 271.9-274.9
... Lamont Road, London, SW10 0HS.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1977-78 High	Low	Stock	£	+ or —	Yield Int.	Yield Red.
104¼	97⅞	Treasury 10½pc '78‡‡	101½	....	10.34	5.72
100⅛	90¾	Exch 5pc '76-78‡‡	99½xd	+1/16	5.02	5.95
107	95¾	Treasury 11½pc '79‡‡	104⅛	-1/32	11.03	6.88
97¼	84½	Treasury 3pc '79‡‡	96⅞xd	.....	3.10	5.19
98⅛	85⅝	Electric 4¼pc '74-79	97⅝xd	.....	4.35	5.90
106½	92	Treasury 10½pc '79‡‡	103½	-1/32	10.10	7.84
97⅝	84⅞	Electric 3½pc '76-79	96½	...	3.63	5.73
107	87¾	Treasury 9pc 1980‡‡	101½	-1/16	8.83	7.90
105¼	88⅛	Treasury 9½pc '80‡‡	101½	-1/16	9.32	8.49
96	92⅞	Treasury 3½pc '77-80	94½	-1/16	3.70	6.07
98¼	83¾	Funding 5¼pc '78-80‡‡	96⅛	...	5.46	7.14
112⅞	96½	Exchequer 13pc 1980‡‡	108½	-⅛	11.95	9.20
108⅜	92½	Treasury 11½pc 1981‡‡	105⅝	-⅛	10.89	9.17
94⅛	77⅞	Treasury 3½pc 1979-81	91⅛	.....	3.84	6.92
104	86¾	Treasury 9¾pc 1981‡‡	101⅝xd	-⅛	9.59	9.13
97½	95¼	Exch 8¼pc 1981	97½xd	-1/16	8.47	9.17
103½	97½	Exch 9½pc 1981	100⅝	-⅛	9.44	9.28
92⅛	87½	Exch 3pc 1981	87¾	....	3.42	7.10
98¼	96⅛	Treas. Variable '81‡‡	96¼	.....	6.63	7.44
113½	96¼	Exch 12¼pc 1981‡‡	109⅝	-1/16	11.63	9.57
100⅛	82⅞	Treas 8½pc '80-82‡‡	97½	-⅛	8.68	9.14
93½	71⅝	Treasury 3pc '82‡‡	86½		3.48	7.06
119⅞	101⅝	Treasury 14pc '82‡‡	114½xd	-¼	12.27	9.62
99½	95¾	Treas Variable '82‡‡	95½	-1/16	6.68	7.54
98⅝	93⅝	Treasury 8¼pc '82	95½	....	8.60	9.42
102⅞	93⅝	Exch 9¼pc 1982	99xd	-1/16	9.34	9.52
96½	96½	Exch 8¼pc 1983●	96½	-1/32	9.05	9.61
87⅝	81	Exch 3pc '83	83½	...	3.60	7.07
114¼	95½	Treasury 12pc 1983‡‡	109½xd	-1/16	10.99	9.64

Five to Fifteen Years

1977-78 High	Low	Stock	£	+ or —	Yield Int.	Yield Red.
101½	95¼	Treasury 9¼pc '83	99¼	-⅛	9.42	9.69
95½	72½	Funding 5½pc '82-84‡‡	88	-¼	6.32	8.35
100¼	77⅛	Treasury 8½pc '84-86‡‡	95¼	-¼	9.08	9.63
87⅞	66¼	Funding 6½pc '85-87‡‡	85⅞	-¼	7.79	9.23
94	68½	Treasury 7¾pc '85-88‡‡	87¼	-¼	9.00	9.99
75½	49⅛	Transport 3pc '78-88	66⅛	-⅛	4.58	7.98
76¼	53⅞	Treasury 5pc '86-89	70xd	-⅛	7.11	9.22
121¼	90	Treasury 13pc 1990‡‡	112⅞	-⅝	11.81	11.41
93¾	67⅞	Treasury 8¼ '87-90‡‡	86⅞	-⅛	9.74	10.49
112	88¼	Treasury 11¾pc 1991	103⅝	-⅝	11.59	11.52
76½	53¾	Funding 5¾pc '87-91‡‡	69⅝xd	-⅜	8.23	9.92
118	86¼	Treasury 12¾pc '92‡‡	109¼	-⅝	11.89	11.67
96½	88¼	Treasury 10pc 1992	91¼	-½	11.05	11.37
113	89½	Exch. 12¼pc '92	104⅝	-⅝	11.80	11.69

Over Fifteen Years

1977-78 High	Low	Stock	£	+ or —	Yield Int.	Yield Red.
116¼	84½	Treasury 12½pc '93‡‡	107⅝	-⅝	11.86	11.73
73¾	51⅝	Funding 6pc 1993‡‡	67	-½	8.97	10.32
126½	96	Treasury 13¾pc 1993‡‡	117⅝	-⅝	12.14	11.86
129¼	99	Treasury 14½pc '94‡‡	119	-⅝	12.26	11.91
114⅛	94½	Exch 12½pc 1994	106	-⅝	11.89	11.79
96	66¼	Treasury 9pc '94‡‡	87⅜	-½	10.67	11.07
110¾	97⅞	Treasury 12pc '95	104	-⅝	11.74	11.69
51⅞	32⅞	Gas 3pc '90-95	50	-¼	6.14	8.86
95	88⅝	Exch. 10¼pc 1995●	91⅛	-½	11.37	11.58
120½	87	Treasury 12¾pc '95‡‡	111⅛	-⅝	11.91	11.79
92½	66¾	Treasury 9pc '92-96‡‡	83⅝	-½	10.78	11.14
133¾	101⅛	Treasury 15¼pc '96‡‡	129⅛	-⅝	12.36	12.04
124	89¾	Exchequer 13¼pc '96‡‡	115	-⅝	11.99	11.83
50	31¾	Redemption 3pc 1986-96	47⅜xd	-¼	6.32	8.80
122½	87⅛	Treasury 13¼pc '97‡‡	112⅝	-⅝	11.98	11.83
98⅜	90⅛	Exchequer 10½pc 1997	92⅝	-⅝	11.43	11.56
89⅝	64⅞	Treasury 8¾pc 1997‡‡	81⅛	-½	10.81	11.17
72¾	50¾	Treasury 6¾pc '95-98‡‡	69⅜	-½	10.10	10.84
136½	103⅝	Treas. 15½pc '98‡‡	125⅞xd	-⅝	12.27	12.02
97	65⅞	Treasury 9½pc 1999‡‡	87⅞	-½	11.02	11.21
96¼	90⅛	Treasury 10½pc 1999	93⅜	-½	11.46	11.56
44¼	27⅝	Funding 3½pc '99-04	40¾	-¼	8.72	9.97
82¼	57½	Treasury 8pc '02-06‡‡	74¼xd	-½	10.72	10.91
59	40½	Treasury 5½pc '08-12‡‡	53⅛	-⅜	10.36	10.62
80¾	53¼	Treasury 7¾pc '12-15‡‡	73⅜	-½	10.73	10.81

Undated

1977-78 High	Low	Stock	£	+ or —	Yield Int.	Yield Red.
38⅞	26⅝	Consols 4pc	35⅝	-¼	11.39	—
38½	25⅝	War Loan 3½pc‡‡	36⅝	-¼	9.84	—
39¼	26¼	Conv. 3½pc '61 Aft	37½xd	-¼	9.40	—
28⅝	20½	Treasury 3pc '66 Aft	25⅞xd	-¼	11.53	—
24⅛	17¼	Consols 2½pc	22⅛xd	-⅛	11.12	—
24	17⅛	Treasury 2½pc	21⅝xd	-¼	11.51	—

**INTERNATIONAL BANK

1977-78 High	Low	Stock	£	+ or —	Yield Int.	Yield Red.
88¼	75½	5pc Stock '77-82	85	......	5.88	9.19

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

AMERICANS—Continued

S.E. List Premium 41% (based on $US1.9685 per £)

Conversion factor 0.7095 (0.7017)

CANADIANS

S.E. List Premium 41% (based on $2.1480 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Cont.

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Cont.

ELECTRICAL AND RADIO

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INV. TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

1977-78 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
210	70	Falcon Rh.50c	190	......	Q50c	1.3	24.2
24	9	Rhod'n Corp 16⅔p.	19	......	0.57	4.3	4.5
165	52	Roan Cons. K4	65	−1	—	—	—
164	115	Tanganyika 50p	122	......	Q11.0	1.1	9.0
80	70	Do. Pref. 80p	80	......	Q9%	16.4	9.0
42	27	Wankie Col. Rh.1	40	+1	Q7½c	1.4	16.0
27½	10	Zam.Cpr.SBD0.24	10	−½	—	—	—

AUSTRALIAN

1977-78 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
20	10	Acmex 25c	10	......	—	—	—
127	57	Bougainville 50 Toea	90	......	Q8c	1.4	5.6
128	62	BH South 50c	64	......	—	—	—
325	119	Conzinc Riotinto 50c	158	......	Q10c	ϕ	4.0
72	18	G.M. Kalgoorlie $1	68	......	—	—	—
112	77	Hampton Areas 5p	93	−1	1.45	4.1	2.4
35	10	Metals Ex. 50c	10	−1	—	—	—
242	125	M.I.M. Hldgs. 50c	142	......	Q9c	1.7	3.9
105	10	Mount Lyell 25c	17	......	—	—	—
2¾	1	Newmetal 10c	2	......	—	—	—
120	79	North B. Hill 50c	87	−1	Q8c	1.5	5.7
12	4½	Nth. Kalgurli	11	−½	—	—	—
150	87	Oakbridge $A1	148	......	†Q11c	1.9	4.6
55	20	Pacific Copper	34	......	—	—	—
£13	575	Pancont'l 25c	775	−25	—	—	—
19	8	Paringa M&Ex.5p	16½	......	—	—	—
555	345	Peko-Wallsend 50c	467	−1	Q15c	4.0	2.0
164	84	Westn. Mining 50c	102	−1	Q6c	1.4	3.6
75	35	Whim Creek 20c	50	......	—	—	—

TINS

1977-78 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
39	18	Amal. Nigeria	24	......	†2.51	1.6	15.9
395	240	Ayer Hitam $M1	270xd	......	[illegible]	0.9	[illegible]
57	25	Beralt Tin	52	......	3.75	2.3	10.9
260	155	Berjuntai $M1	220	......	†Q60c	ϕ	[illegible]
142½	65	Geevor	122½xc	......	18.05	3.4	22.3
13	8	Gold & Base 12½p	8½	......	—	—	—
325	190	Gopeng Cons.	230	......	15.0	0.9	9.9
150	72	Hongkong	150	......	—	—	—
100	60	Idris 10p	85	−3	7.5	ϕ	13.4
11	7	Jantar 12½p	11	......	—	—	—
85	30	Kamunting $M0.50	69	......	[illegible]	0.7	4.8
490	260	Killinghall	450	......	Q125	ϕ	27.8
410	217	Malay Dredging $M1	285xd	......	†Q95c	0.9	7.2
50	40	♦Pahang	50	......	†Q2.5	0.5	5.0
70	50	Pengkalen 10p	53	......	6.5	1.3	18.6
215	133	Petaling $M1	175	......	[illegible]	10.9	1.5
90	35	Saint Piran	50	......	c1.99	4.6	6.0
73	51	South Crofty 10p	51	......	b4.12	1.5	10.4
210	77	South Kinta $M0.50	148	−2	†Q77.8c	1.4	11.3
305	148	Sthn. Malayan $M1	245	−3	[illegible]	1.1	11.5
160	57	Sungei Besi $M1	153	......	—	—	—
*64	19	Supreme Corp. $M1	64	......	ZQ10c	—	3.4
102	42	Tanjong 15p	98	......	4.5	ϕ	7.0
95	45	Tongkah Hrbr. $M1	85	......	[illegible]	1.6	14.4
203	93	Tronoh $M1	173xd	......	ZQ68c	ϕ	10.9

COPPER

1977-78 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
198	70	Messina R0.50	74	−1	‡Q30c	1.9	‡

MISCELLANEOUS

1977-78 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
9½	9	Burma Mines 17½p	9	......	—	—	—
600	220	Cons. Murch. 10c	220	−10	Q30c	ϕ	8.1
475	245	Northgate C$1	285	......	—	—	—
247	164	R.T.Z.	179	+1	t8.5	q3.1	7.2
70	28½	Sabina Inds. C$1	32	......	—	—	—
£14¾	755	Tara Exptn. $1	755	−15	—	—	—
55	39	Tehidy Minerals 10p	45	......	1.21	2.5	4.1
160	120	Yukon Cons. C$1	141	+1	Q7c	ϕ	2.4

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ♦ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ≠ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ☆ Regional price.
- II No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Cover and P/E ratio exclude profits of U.K. aerospace subsidiaries. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	23	......
Ash Spinning	43	......
Bertam	14	......
Bdg'wtr. Est. 50p	285	......
Clover Croft	22	......
Craig & Rose £1	400	......
Dyson (R. A.) A	41	......
Ellis & McHdy.	68	......
Evans Fr'k 10p	57	......
Evered	15¼	......
Fife Forge	47	......
Finlay Pkg. 5p	19	......
Graig Ship. £1	150	......
Higsons Brew	82	......
I.O.M. Stm. £1	142	......
Holt (Jos.) 25p	250	......
N'thn. Goldsmith	56	......
Pearce (C. H.)	129	......
Peel Mills	17	......
Sheffield Brick	46	......
Sheff. Refrshmt.	51	......
Shiloh Spinn.	22	......
Sindall (Wm.)	83	......

IRISH

Conv. 9% '80/82	£96¾	......
Alliance Gas	70	......
Arnott	280	......
Carroll (P. J.)	98	......
Clondalkin	86	......
Concrete Prods.	123	......
Heiton (Hldgs.)	49	......
Ins. Corp.	180	......
Irish Ropes	133	......
Jacob	55	......
Sunbeam	30	......
T.M.G.	190	......
Unidare	72	......

OPTIONS

3-month Call Rates

Industrials

A. Brew	6½	I.C.I.	25	Tube Invest.	30
A.P. Cement	18	"Imps"	7	Unilever	40
B.S.R.	9	I.C.L.	20	Utd. Drapery.	7½
Babcock	10	Inveresk	7	Vickers	15
Barclays Bank	25	KCA	5	Woolworths	6
Beecham	38	Ladbroke	17		
Boots Drug	15	Legal & Gen.	14	**Property**	
Bowaters	16	Lex Service	7	Brit. Land	3¼
B.A.T.	24	Lloyds Bank	22	Cap. Counties	5
British Oxygen	6	"Lofs"	5	E.P.	5
Brown (J.)	20	London Brick	5	Intreuropean	4
Burton 'A'	13	Lonrho	7	Land Secs.	18
Cadburys	5	Lucas Inds.	25	MEPC	12½
Courtaulds	10	Lyons (J.)	13	Peachey	10
Debenhams	10	"Mams"	7	Samuel Props.	10
Distillers	13	Mrks. & Spncr.	11	Town & City	2
Dunlop	8½	Midland Bank	25	**Oils**	
Eagle Star	11	N.E.I.	20	Brit. Petroleum	35
E.M.I.	18	Nat. West Bank	22	Burmah Oil	7
Gen. Accident	17	Do. Warrants	10	Charterhall	3½
Gen. Electric	18	P & O Dfd.	16	Shell	28
Glaxo	40	Plessey	9	Ultramar	22
Grand Met.	9	R.H.M.	5	**Mines**	
G.U.S. 'A'	18	Rank Org. 'A'	18	Charter Cons.	12
Guardian	18	Reed Intl.	14	Cons. Gold	20
G.K.N.	22	Spillers	4	Rio T. Zinc	16
Hawker Sidd.	20	Tesco	4		
House of Fraser	12	Thorn	22		
		Trust Houses	15		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

SATURDAY MARCH 18 1978

MAN OF THE WEEK

Fighting for his country

BY DAVID LENNON

ON THE SURFACE, Ezer Weizman is an overgrown schoolboy, a gregarious former World War II RAF pilot who loves to drink and spin yarns. He is warm and emotional. He loves people and always remembers their names. Most people warm quickly to him despite a tempestuous temperament and a self-assurance verging on over-confidence.

Inside, he is a passionate believer in Israel's right to the historical land of Israel and has a pilot's yearning for wide open skies. A man of firm convictions, he is never afraid to fight for them, even to the point of threatening to resign from the Cabinet earlier this month.

Retaliation

This week he persuaded the Government, if it needed much persuasion, that instead of a regular retaliation for Saturday's terrorist raid, the Army should move into South Lebanon to clear out the Palestinian forces and to stay there as long as necessary to ensure that they do not return. The operation bears all the hallmarks of his belief in the need for direct, firm and daring action to ensure the security of the State.

Until nine months ago Mr. Weizman was still best-known as the man who epitomised the elan and daring of the Israeli airforce. Since joining the Cabinet he has suppressed his natural exuberance and succeeded in projecting a new image as a serious and capable Minister. To-day there is a growing public yearning to see him as Prime Minister.

In 1942, at the age of 18, the Tel Aviv-born Mr. Weizman joined the RAF with the lowest rank. He finally doffed his Israeli general's uniform in 1969. He reluctantly quit a lifelong profession because of politics. His natural talent had made him an obvious candidate for Chief of Staff, but his outspoken Right-wing views made the Labour Government pass him over. Then the politics which had frustrated one ambition, offered him the chance to jump from his general's chair into a Cabinet seat on behalf of the Herut Party.

Awakening

But eight months later he found himself on the back benches when Menahem Begin pulled the party out of the National Unity Government in protest at Israel's decision to accept a cease-fire in the war of attrition on the Suez Canal.

This was a rude awakening for a man who from being a dominant figure in the defence forces and then in politics, suddenly found himself an ordinary citizen.

The intervening years were hard for him, though he was successful in business. He was unfulfilled. After staying out of politics for some years, he decided to re-enter the fray prior to last year's general elections. Disturbed by the demoralisation in the country, he felt that something had to be done.

Taking control of the right wing Likud bloc election campaign, he applied Maddison Avenue techniques to bring off a stunning victory. Menahem Begin became Prime Minister at his ninth electoral try. Despite the personal friction between them, Mr. Begin acknowledged the debt he owed and handed the Defence portfolio to Mr. Weizman. It was the realisation of a dream and sweet revenge on those who had kept him out of the post of Chief of Staff. He took to the job with relish.

Pragmatic

When President Sadat went to Jerusalem he singled out "Ezra" as he mistakenly pronounced Weizman's name, for a private talk. The Egyptian leader knew his man. He, like many others, realised that the Defence Minister was a pragmatic, straightforward, no-nonsense man who knows how to make quick decisions.

The months since have been disappointing. The direct talks were abandoned and negotiations stalled. It was at this point that Mr. Weizman threatened to resign if the Cabinet did not agree to halt settlement in the occupied areas for a while, to give the peace talks a chance. It was a courageous and contentious act typical of his belief that he should follow his own convictions.

As a result Mr. Weizman has won from President Carter respect and confidence not enjoyed by Mr. Begin or Mr. Moshe Dayan, Foreign Minister. At the present moment he looks like the natural successor to Mr. Begin.

Carter warns Russia over arms build-up

BY DAVID BELL

WASHINGTON, March 17.

PRESIDENT CARTER warned the Soviet Union to-day that the U.S. is willing to increase defence spending and effectively abandon detente, if Russia continues a policy of excessive military growth and unwarranted military interference around the world.

In a toughly-worded speech, described by his staff as the President's first major address on defence, Mr. Carter said that there were ominous signs, most recently in the Horn of Africa, that the Russians were prepared to use military power in various parts of the world.

"We can readily afford the necessary costs of our military forces as well as an increased level if needed to prevent any adversary from destabilising the peace of the world," the President said.

His speech centred on the steady expansion of Soviet and Warsaw Pact forces in eastern Europe. Despite many years of negotiations aimed at cutting force levels on both sides, the "Soviets have continued to increase and modernise their forces beyond the level necessary for defence.

"In the face of this excessive build-up, we and our NATO allies have had to take important steps to cope with short-term vulnerabilities and to respond to long term threats."

To-day's speech appears to mark the effective abandonment of the administration's theory that there should be no "linkage" between Soviet activities in Africa and the Strategic Arms Talks.

"We are prepared to . . . co-operate with the Soviet Union toward common social, scientific and economic goals, but if they fail to demonstrate restraint in missile programmes and other force levels, and in the projection of Soviet or proxy forces into other lands and continents, then popular support in the United States for such co-operation will erode," the President said.

Progress

There has been some evidence, in recent days, that the Administration has been at last making progress on arms talks with the Russians and that Mr. Carter wants to have some kind of treaty ready by the summer. To-day's speech may also be intended, therefore, to demonstrate that the President is not "soft" on the Russians.

While wanting a new strategic arms agreement, President Carter was not prepared to jeopardise U.S. security.

"I will make sure that it preserves the strategic balance, that we can independently verify Soviet compliance and that we will be at least as strong relative to the Soviet Union as we would be without an agreement."

The United States was aware that the present functional balance in weapons between the U.S. and the Soviet Union could be threatened in the decade ahead. In particular, Soviet missile developments "can make our land-based missile forces increasingly vulnerable to a Soviet first strike," he said.

In the absence of Soviet restraint, there were new land and sea-based systems under development in the United States which could be ordered into production.

David Satter reports from Moscow: The Communist Party newspaper Pravda indicated yesterday that the Soviet Union is losing patience with "obstructionist" U.S. tactics in the SALT talks, which appear aimed at going back on previously agreed understandings.

In a highly authoritative unsigned Pravda editorial, the party newspaper said the U.S. stalled the implementation of the "clear, cut and specific agreement" reached at Vladivostock in 1974, and it was only at the end of last year that some progress was made in putting negotiations back on "practical lines."

The idea was being instilled that a SALT agreement has some connection with such unrelated matters as events in the Horn of Africa; and Pravda warned of the adverse effects of trying to make agreement in the SALT talks serve as a lever in political bargaining.

Growing clamour fails to halt £51m. ship deal

By Ian Hargreaves, Shipping Correspondent

SUNDERLAND Shipbuilders has signed a £51m. deal to supply six 16,500-ton cargo liners to the Shipping Corporation of India—a contract heavily criticised by U.K. shipowners because the vessels are being bought with cash from Britain's overseas aid programme to India.

The signing of the contract in Bombay yesterday came 18 months after talks about the order started. During that time the clamour of owners against the deal has grown because, they say, the Indians are being given free ships to compete with British lines.

British Shipbuilders, of which Sunderland Shipbuilders is a part, says the overseas aid money goes to the Indian Government and the state-owned shipping corporation will have to buy the ships from its Government under the usual credit terms. For this reason the price of the ships has also been reduced by a grant, understood to be about £5m., from the Government's shipbuilding intervention fund.

The six ships, which will be designed with multi-purpose capability to enable them to transport containers, will be built in Sunderland's Deptford and Pallion yards, providing employment for 3,000 men for 12 months.

Workers

Mr. Jim Gilfillan, managing director of Sunderland, said a big factor in clinching the order was the agreement signed in his yards last month under which workers accepted a wide-ranging package of terms involving adherence to Government wage guidelines, meeting productivity and production targets and observing disputes procedures.

Sunderland has an order book of 19 merchant ships, valued at £170m. It has won 15 orders in the past year—much the most successful record of any yard in the British Shipbuilders group. Although the Indian ships are being financed through overseas aid, the order was still won in competition with other British yards.

The six ships will be powered by Swiss-designed Sulzer diesel engines built in North East England.

THE LEX COLUMN

A testing stream of statistics

The stock market has endured a week of crucial financial statistics, and has ended in an almost unruffled condition. After the trade figures, the money supply statistics and yesterday's Retail Prices Index for February the FT 30-Share Index is off just 1.8 points, while the Government Securities Index is also slightly lower.

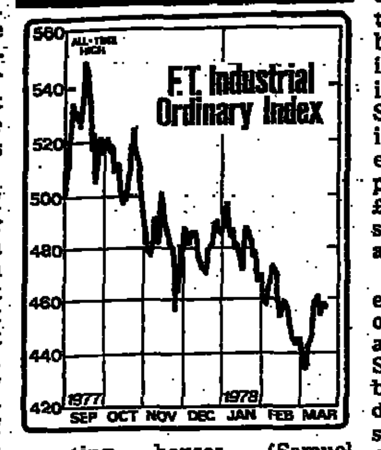
Not too much should be read into these slight relapses, for the underlying tone has been quite firm. Equities have run into a limited amount of profit taking after the near 30-point rally from the low reached at the beginning of the month. Meanwhile gilts have really been quite strong, with substantial buying this week of both the short and long tap stocks.

On some estimates, only about £100m. of the short—Exchequer 8¾ per cent. 1983 — remains in the Government Broker's hands, and there is not much more than that left of the long tap Exchequer 10¼ per cent. 1995. One more good burst of demand could exhaust one or both stocks, but yesterday the momentum proved to have faded under the influence of Thursday's rather unsatisfactory money supply figures, and the gilt-edged market faltered in its stride.

The RPI is much in line with expectations. The year-on-year inflation rate has edged further into single figures, and promises to achieve a further sharp dip to under 8 per cent. in the April computation (published in May) since the Index jumped by as much as 2.6 per cent. in April 1977. But beyond that the rate of inflation is unlikely to show any substantial further fall.

Later in the year, in fact, inflation could well start edging up again, and the Budget—now 3½ weeks away—will have an important bearing on expectations here. The stock market is ready for a fiscal stimulus of the order of £2bn., but it will react badly if this is combined with any relaxation of the current monetary growth targets. The uncertainties could lead to quiet conditions over the Easter period.

Index fell 1.1 to 457.2



Morgan Grenfell

Over the years the merchant banks have shunned publicity and have suffered a loss of stock market status as a result. But there are signs that they are coming round to the idea of revealing a little more about themselves.

Yesterday Morgan Grenfell, the largest of the unquoted accepting houses (Samuel Montagu excepted), took the unprecedented step of issuing preliminary figures. Not that they said very much, but at least it is a start. Perhaps an element of professional pride lay behind the decision to publish the results. When compared with recent figures from Baring Bros. and Kleinwort Benson, a 92 per cent. jump in disclosed profits to £5.4m. looks very impressive. The group has an important export credit and project finance business, and along with its other corporate finance activities fees and commissions contribute perhaps as much as a quarter of gross income. Morgan also admits that the "unusually favourable circumstances" in the financial markets last year enabled it to make handsome profits on its gilt-edged and money book.

However, Morgan's decision to reveal a little more about itself is not completely altruistic. It is probably the fastest growing of all the accepting houses: over the last five years, for example, its balance sheet has grown roughly three times as quickly as Kleinwort Benson's. It is impossible to know the size of its unpublished reserves but with loan capital of around £17m. against disclosed net worth of £31.4m. it has not been completely self-financing in the past. In 1974 it had a £6½m. rights issue and its decision to shed a little more light on itself may well be a prelude to another capital raising exercise—when Morgan could decide to seek a quote.

Comet/Wigfall

With only a few days to go before Comet's £14m. offer for Henry Wigfall closes the Wigfall Board has sent another circular to shareholders in which it claims that Wigfall's rental assets have a market value in excess of £25m. This compares with a book value of these assets in Wigfall's balance sheet of £12.2m. and implies that Wigfall's net worth is currently in excess of £2[illegible]. Shareholders may wonder how it can be that such a well endowed company should have produced pre-tax profits of only £1m. in 1977 to extend a sequence of declining profitability since 1975.

The Wigfall circular does not explain how the market value of £25m. has been arrived at although its advisers, Hill Samuel, say "a normal trading basis" has been adopted "after discussions with market sources." Nor is there any explanation from the Board as to how it is going to get this right at Wigfall.

Shareholders should accept the Comet bid which now values their shares at 274p, against the market value of 233p. The market price indicates that the offer will not be successful, indeed it seems highly unlikely that it ever could be with [illegible] per cent. of the votes held by directors and their associates whose unity Comet has failed to crack. But a high figure of acceptances should concentrate the minds of Wigfall management wonderfully.

The Wigfall Board claims shareholders are only being offered £14m. for a £25m. business. It is up to them to make this high valuation relevant within a short period of time. Otherwise shareholders will be entitled to think they have been promised something that cannot be delivered.

Unilever

Unilever is gradually edging closer towards completion of its £250m. takeover of the U.S. National Starch and Chemical Corporation. Yesterday came news that the definitive merger agreement had been signed. But the really encouraging feature is the absence of any suggestion that the U.S. Internal Revenue Service will be putting up obstacles. Given the large personal stake of the chairman of National Starch, and the special terms devised to suit his individual circumstances, this has been a crucial element in the negotiations. No final tax ruling has yet been received but the expectation is that it will come within the next three or four weeks. The final stage will be approval of the deal by National Starch shareholders at a special meeting, probably in June.

New blow for Liverpool as Lucas cuts workforce

BY PHILIP BASSETT, LABOUR STAFF

MERSEYSIDE sustained a further blow yesterday when Lucas Industries announced another cut in its Liverpool workforce. A total of 200 jobs is to be lost at the company's engineering works at Fazakerley.

The news came a day after the group announced the forthcoming closure of Lucas Aerospace's Victor works, also in Liverpool, with the loss of 1,450 jobs. Yesterday's move brings the total number of jobs lost on Merseyside in eight weeks to more than 7,100.

Lucas Industrial Equipment at Fazakerley employs 485 people. Lucas blamed the cut to 285 on a drop in demand from the Defence Ministry for the components the factory makes, including hydraulic equipment for the Army's Chieftain tank.

Orders for Chieftain tank parts, which make up half the factory's business, are down by 35 per cent. on a year ago and are expected to drop by a further 70 per cent. next year.

The 200 workers will be offered alternative employment within the Lucas Industries group.

At the Victor works, shop stewards spent yesterday in talks to decide on possible action after the closure decision.

Mr. John Rowan, national industrial officer of TASS, the white-collar staff section of the Amalgamated Union of Engineering Workers, said the union deplored the lack of consultation between Lucas and unions before the announcement. TASS would fight the closure and redundancies throughout Lucas Industries.

Mr. Ernie Scarborow, secretary of the Lucas Aerospace shop stewards' combine, called on the Government to intervene to try to save the jobs.

A group of Liverpool MPs will try to see Mr. Callaghan to-day to discuss the jobs loss on Merseyside in the past eight weeks. Mr. Eric Heffer, Labour MP for Liverpool Walton, said that the Government should appoint a Minister with special responsibility for the area and pump money in to save jobs.

● In another Merseyside jobs battle, national union leaders met members of the Birds Eye Board in London yesterday to attempt to get rescinded dismissal notices issued to 1,200 workers at the company's Kirkby factory.

Birds Eye shop stewards are hoping that the Board will take the notices back at its meeting on Monday. Process workers at the plant have signed undertakings to return to work as the 110 engineers who had been on strike did at the week-end, and the plant's management is understood to be recommending a resumption to the Board.

● Recession in the world tractor market means that nearly half the 640 workforce in number 2 foundry at Dartmouth Auto Castings, Warley near Birmingham, are to be made redundant. The foundry has been on a four-day week since the beginning of the year and is going on to three days a week.

● Nearly 100 workers in the carpet town of Kidderminster, Worcestershire, are to lose their jobs, after the decision of the Minster Carpet Company to switch weaving operations to the Lake District later this year. About 190 workers at Victoria Carpets also face redundancy unless the company is successful in its application for a Government subsidy.

More aerospace jobs, Page 21

BSC ready to talk on closure

By Robin Reeves

THE BRITISH Steel Corporation is ready to open negotiations immediately on the closure of Ebbw Vale's steel-making facilities, Sir Charles Villiers, the corporation's chairman, said in South Wales yesterday.

He told members of the Blaenau Gwent Council the 1,800 steel workers involved could expect a 'Hartlepool-type settlement if they agreed to the early closure of the works.

But BSC was prepared to stand by the present designated closure date of March next year, he said.

Steel workers at Hartlepool received special redundancy payments amounting to 16-26 weeks' extra pay, depending on Service. Golden handshakes in last week's East Moors, Cardiff, closure deal were bigger—42 weeks pay—but that was because the shut-down was not due before January 1980.

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Retail

plank in Government efforts to secure moderation in pay claims in the next pay round.

A continuation of pay rises of well above 10 per cent. is likely to push up the 12-month rate of retail price inflation from a low point later this summer, especially as the favourable impact of the rise in sterling will tail off towards the end of 1978.

Moreover, as the Bank of England bulletin pointed out this week, the improvement has been helped by some special factors, such as the drop in mortgage interest payments and a 19.5 per cent. decline in seasonal food prices in the past year. Those together reduced the index by about 1¼ per cent.

Commenting on the figures yesterday, Mr. Robert Maclenann, Parliamentary Under-Secretary for Prices and Consumer Protection, said the steadying of price levels gave "the assurance that our income and standard of living will not be eaten away, but it also holds out the real expectation of a growth in job opportunities."

The all-items index went up by 0.6 per cent. in the month to mid-February, mainly as a result of increases in motoring costs, beer prices; some items of foods and in prices of a wide range of clothing and durable household goods after the end of the January sales. These rises were offset partially by a reduction in mortgage interest payments and lower egg prices.

Food prices generally have risen by only 6.9 per cent. in the last 12 months, the lowest rate of increase since July, 1972.

Among price increases in the pipeline are those for beer and some spirits, and rates and local authority rents, partially offset by the reduced cost of tea—as well as any post-Budget increases.

Mrs. Sally Oppenheim, the Opposition Prices spokesman, said there might be a further drop in the year-on-year rate for technical reasons, but the rate of inflation would rise again by the end of this year.

Exporters to lose finance concession

BY MARGARET HUGHES

FROM APRIL 1, British exporters will no longer have access to concessionary finance for goods sold to the EEC on credit terms of two years or more.

This type of business accounts for 1 per cent. of total U.K. exports to the EEC, and last year amounted to about £121m.

The new arrangements announced yesterday by the Export Credits Guarantee Department (ECGD) have been imposed on the U.K. by the EEC Commission. It has pointed out that the present scheme, whereby these exports are financed at fixed preferential rates of interest, contravene the Treaty of Rome.

Britain is understood to be the only EEC country which provides this concessionary finance for exports within the EEC.

The fixed rates of credit at which British exporters have been able to sell within the EEC is set by the "gentleman's agreement" on export credits.

The interest rate is 7.75 per cent. for credits up to five years.

In future, however, the rate of interest will be set by the financing bank. Exporters will still be eligible for ECGD bank guarantees which should enable them to get the best commercial rate available.

They will no longer be required to finance their exports to the EEC in foreign currency. The ECGD claims that this flexibility should allow banks to provide some fixed-rate medium-term finance at commercial rates.

Where this is not possible, finance will be made available at a variable rate of interest at a margin over London Inter-Bank Offered Rate.

In the case of sterling finance, this will be a maximum of 1¼ per cent. over the three-month rate. For foreign currency lending, the margin above LIBOR will continue to be negotiated on a case-by-case basis.

There will be exceptions to the new arrangements. Fixed rate finance will be continued for ship exports which are covered by a separate Organisation for Economic Co-operation and Development agreement and on a case-by-case basis for aircraft and aero engine projects.

The new scheme should not make British exporters less competitive than their EEC neighbours as it now puts them on a par with them.

But British companies (like others in the EEC) will not be at a disadvantage when competing with companies from outside the EEC for work within the Community since the outsiders will continue to have access to export finance at 7.75 per cent.

It is understood that the Commission will be prepared to reconsider the position on a case-by-case basis so that the EEC company could match the cheaper terms.

One country where a good deal of U.K. business has been financed by ECGD credits is Ireland which will now be affected by the new ruling.

The ECGD has also announced some relaxation in the application of its rulings on foreign currency financing.

It will no longer insist that contracts with a loan value of up to £5m. be financed in foreign currency, "where the exporter or his financial advisers consider there is an advantage in using sterling." Previously all buyer credits—usually £1m. and above—were obliged to be financed in foreign currency.

Continued from Page 1

Tanker

almost midnight on Thursday—several hours after the first attempt of the Brest tug, Pacific, to take the Amoco Cadiz in tow.

The two big French unions also renewed their campaign against flags of convenience. The Amoco Cadiz was flying the Liberian flag—as were the two supertankers which collided off the South African coast in December and the Argo Merchant which broke up off Nantucket and precipitated a noisy public controversy in the U.S. a year ago.

Pollution prevention experts and salvage men from London were quickly on the secene of the wreckage yesterday. An early arrival was an observer from TOVALOP, the tanker owners' voluntary arrangement for the limitation of pollution.

This scheme is designed to ensure prompt payment of up to $10m. compensation for the cost of clear-up operations. It is supplemented by a scheme called CRISTAL, run by the oil companies, which takes the compensation available to $30m.

Weather

U.K. TO-DAY

MOSTLY dry, scattered wintry showers. Rather cold.

London, S.E. and E. England, Light snow showers. Sunny spells. Max. 7C (45F).

Cent., S., Cent.-N. England, Midlands Mostly dry. Wind W., light. Max. 7C (45F).

Channel Is., S.W. England, Wales Dry, cloudy later. Max. 9C

N.W. England, Lake Dist., Is. of Man, S.W. Scotland, N. Ireland Dry, becoming cloudy. Max. 7C

N.E. England, Borders Mostly dry. Sunny periods.

Edinburgh, Aberdeen, Moray Firth, Orkney, Shetland, N.E. Scotland Mostly dry, sunny. Max. 5C

Glasgow, Cent. Highlands, Argyll, N.W. Scotland Mostly dry, becoming cloudy. Max. 7C (45F).

Outlook: Rain at times in most areas.

BUSINESS CENTRES

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Amstdm.	F	5	41	Luxemb'g	F	4	39
Athens	S	16	61	Madrid	F	8	46
Bahrain	S	22	71	Manchestr.	C	5	41
Barcelona	S	14	57	Melbourne	R	18	64
Belfast	C	5	41	Milan	F	13	55
Belgrade	C	17	63	Montreal	S	−3	26
Berlin	C	4	39	Moscow	F	5	41
Brmghm.	C	4	39	Munich	C	5	41
Bristol	F	5	41	Newcastle	C	3	37
Brussels	F	7	45	New York	S	2	36
Budapest	C	7	45	Oslo	F	−6	21
B. Aires	R	21	70	Paris	C	5	41
Cairo	S	24	75	Perth	C	33	91
Cardiff	S	6	43	Prague	F	5	41
Chicago	S	0	32	Reykjavik	C	5	41
Cologne	F	7	45	Rio de J'o	S	30	86
Copnhgn.	Sn	−2	28	Rome	F	15	59
Dublin	C	6	43	Singapore	S	27	81
Edinburgh	C	7	45	Stockhlm.	Sn	−8	18
Frankfurt	F	7	45	Strasbrg.	R	3	37
Geneva	C	6	43	Sydney	R	23	73
Glasgow	F	6	43	Tel Aviv	C	17	63
Helsinki	Sn	−11	12	Tokyo	C	12	54
H. Kong	S	20	68	Toronto	C	−3	26
Jo'burg	C	24	74	Vienna	F	9	48
Lisbon	R	11	52	Warsaw	R	3	37
London	C	12	54	Zurich	Sn	1	34

HOLIDAY RESORTS

		°C	°F			°C	°F
Ajaccio	C	12	54	Jersey	C	5	41
Algiers	R	14	57	Las Plms.	C	19	66
Biarritz	C	7	45	Locarno	S	10	50
Blackpool	C	5	41	Majorca	C	10	50
Boulogne	C	4	39	Malaga	F	14	57
Casablnca.	C	15	59	Malta	S	17	63
Cape Town	C	21	70	Nairobi	R	22	72
Corfu	C	15	59	Naples	F	12	54
Florence	C	12	54	Nice	S	14	57
Funchal	C	16	61	Nicosia	S	17	63
Gibraltar	S	15	59	Rhodes	S	18	64
Guernsey	C	5	41	Salzburg	S	8	46
Innsbruck	S	8	46	Tangier	F	14	57
Inverness	C	4	39	Tenerife	F	13	55
Isle of Man	F	5	41	Tunis	S	22	72
Istanbul	S	14	57	Valencia	S	16	61

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sn—Snow.

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